

LVT — A Spur To Development

In the theater it's important for actors to have a showcase, and Georgists too have needed a showcase. While Southfield, Michigan's program was not the complete blueprint of Henry George's proposal, it has proved to be of inestimable value as a model.

In Westland, Michigan the mayor and assessor have announced a boost in assessment rates on vacant land surrounding their new shopping center. Some of this land, the young mayor said, is assessed at \$700 when \$10,000 would "more closely resemble the market value." It was noted in The Westland Observer that the assessor talked to Southfield city officials to see how that community keeps up to date on assessments near shopping centers. When the modern computer system was

installed in Southfield it was explained by the former Mayor Clarkson and Assessor Ted Gwartney, as being very responsive to the shift in land values, based on continual observation and recording of all selling prices.

Property is supposed to be assessed at 50 percent of market value in the Michigan city, and Mayor McKinney wants to bring valuable land up to this figure because many present assessments are so low "as to be totally unfair to residents who are assessed at a reasonable and fair rate."

Is "land value" taxation the answer? An Observer opinion writer states, "you can use the property tax as something more than a means of getting revenue for the city and school district. You use it as a tool to spur development."

In the Indiana Evening Gazette an AP business article from New York reported what is now common knowledge, that raw land is "where the money is." Millions of acres on the fringes of metropolitan areas are going for increasingly higher prices each year and thousands of speculators, from small fry to great corporations, are aware of it. There isn't much chance for the small fry however since large firms are stockpiling hundreds of thousands of acres and keeping them idly occupied with fruit growing or cattle raising.

This little game is planned "just like a battle," according to the chairman of Pease and Elliman, who advised that "it's no place for an amateur." If a small operator does want to speculate he should join with a sound local businessman or consider a partnership or mortgage investment trust. "For those who guess correctly the rewards are great!"

Resources of great value are often concentrated in a county or in small areas of the state overlapping several counties. Missouri has concentrations of lead, zinc and iron ore. Other states have oil, copper, natural timber and the like scattered here and there. In all these cases local counties and communities will have great special benefits as against others just across the governmental dividing line. In South Africa, in Alberta, Canada, in the Long Beach area of California, in the Gulf of Texas and Louisiana off shore oil producing areas, resources are shared as a source of revenue to some degree by all residents of the state.

Recent economic and political development in Alaska drives home this point, with millions of dollars of unearned income available to Alaska. Plans and schemes for dividing this income are in the making and even the paying out of cash dividends has been proposed. The chances for "tax relief" to property in real estate, and especially land locations, are now great, and a value created by the discovery of oil in land sites will be allowed to enrich private holders and the price of land will increase as a result.