

owners. The Indians may be a little better off and the land owners a little worse off but this is no solution to the problem, especially as most of the best land is likely to be left out of the scheme altogether.

## ROUND-THE-WORLD LAND VALUES

**A** FEW SAMPLES of land prices around the world show that high land prices are closely related to population density and economic expansion. While this is only to be expected it is worth noting the similarity of the land cost problem between different countries.

**JAPAN** — Tokyo's property is valued at £1,785 per square foot. This is ten times the value of land in New York's Wall Street! Land values in the six largest Japanese cities have soared 839 per cent since 1955 and although the rate is decreasing, an annual increase of 20 per cent in capital value is standard.

**ITALY** — In Milan ever increasing prices (up to £2,800,000 an acre) are leading to ever higher buildings, the latest, sixty-five storeys. Prices in the mountain and coastal regions have increased about twenty times in ten years mainly because of increased domestic affluence and rising tourist business. Money is being taken out of equities and put into property to safeguard against possible industrial nationalisation.

**SWITZERLAND** — In Geneva land prices are up ten times on 1955 values. Residential accommodation can cost as much as £30,000 to £40,000 for two and three-bedroomed houses close to the city. Most Swiss have to live far beyond the city.

**FRANCE** — Land values in Paris have increased three-fold since 1959 and are rising steadily while tenfold increases are not unknown in the provinces.

**GERMANY** — A short-term capital gains tax on two-year transactions has helped to curb the rate of increase in land values. Prices in Bonn are estimated to have increased one hundred times since 1950.

### "Precious as Jewels"

"**STAKE A CLAIM** in Bahama Sound!" said an advertisement in the newspapers recently. "No Interest—No Land Taxes. . . Own a spacious 80 foot by 125 foot freehold homesite on Great Exuma Island in the lovely Bahamas. For retirement, investment, holidays. Exclusive use of white sandy beaches. World famous fishing, boating. Good land—surveyed, serviced by roads at time of conveyance."

Another advertisement, this time for the Leeward Islands on the eastern edge of the Caribbean, states "All land values have risen in the islands, but when it comes to property which faces the Caribbean, prices have soared! On Antigua, Bermuda, Jamaica, Barbados—lots facing the sea are as precious as jewels."

## QUACK MEDICINE

**I**N AN OPEN LETTER to President Johnson on national housing policy the editors of *House and Home* show their usual grasp of house shortage problems: "The \$150 billion that the federal government has committed to housing programmes has done nothing to attack housing's biggest problem—the much-too-high cost of a new home . . . The idea is afoot that because new housing is too costly for some middle-income families to buy or rent, we should have a massive new cheap-money programme to create the illusion that high cost housing is cheap. This is quack medicine . . . Cheap money means costly land and costly housing . . . Government ought to help to attack the causes instead of the symptoms by introducing a land policy that makes sense for today. Land costs too much because land is under-assessed and under-taxed. This promotes slums, land speculation and urban sprawl."

## LAND TAXES IN THE U.S.A.

"**WE** MAY need a tax-cut, but what we need even more is a drastic revision of our whole ramshackle tax structure.

"Taxes should reflect and promote sound public policies. The real property tax, which is the main support of local, municipal and county governments, reflects and promotes almost every unsound public policy imaginable.

"It encourages urban blight, urban sprawl and land speculation. It thwarts urban rehabilitation, construction, investment in building and improving homes and orderly development."

So says Robert Hutchins in an article in the *Los Angeles Times*, January 13. The remedy, of course, as Mr. Hutchins says, is "absurdly simple. It is to take the tax off the improvements and put it on the land."

Vacant land in the United States is taxed at the moment, but the assessments are far below the market value, so that, apart from the disincentive of taxes on buildings, not even the minimum legal tax is being obtained from land.

Roy Wenzlick, celebrated St. Louis realty economist, who does "not believe in the single tax of Henry George" but nevertheless advocates higher taxes on vacant land for the same reasons as Mr. Hutchins, has done considerable research into the matter of property tax assessments. His conclusions were published in an article in *House and Home*, April 17, 1961.

For example, Mr. Wenzlick found that if the vacant land in one assessment district of "a large metropolitan county" had been assessed at market value, in accordance with the state law, instead of at nominal value only, the average vacant parcel would have been taxed fourteen and a half times as much as it was! Actual figures varied from 600 dollars instead of 116, to 9,070 dollars instead of 158.