

"Countdown for Trouble"

THE St. Petersburg (Florida) Times, owned and edited by Nelson Poynter and his wife, devoted two full pages with colored illustrations, in February, to a full discussion of the land speculation around Cape Canaveral—described as a huge crescent-shaped area on the East Coast. The real estate editor reported this as a threat to orderly growth and a burden on Florida's taxpayers.

The vast crescent extends 125 miles along the coast, reaching inland over 3000 square miles—an area that until now has remained a wilderness with only four highways bridging a river basin. Now a few "barons"—ranchers, foresters, speculators and developers—are in the vanguard, with ten owners able to administer more than 1000 square miles. Counting the government-owned properties, 13 owners control half the area. It is expected that four counties in this crescent and the adjoining Brevard County expect a population growth of 100,000 a year up to 1970.

Hundreds of millions will be spent in public improvements, including costly new toll roads, intersections and even a possible new waterway. Although practically everyone has been offered some kind of real estate investment, such as a waterfront home, the fact is that though thousands of acres of wooded and swamp areas are unsettled, a newcomer in need of a shelter will not find rental housing within reasonable distance. Many sites are in unbuildable, undrained areas with no plans for utilities and no roads. There are plenty of mobile homes for sale, but no place to put them.

Such controls as have been placed

on descriptions of sites apply only to out of state promotions. Prospective buyers or renters in Florida are not so pampered and may be offered an investment tract for a small down payment that cannot even be reached for inspection. Rules drawn up seven years ago by a state real estate commission curb some of the misleading terms but only on advertising leaving the state, and this is hard to enforce.

Another Florida item, this one from Cape Coral, was quoted by Robert Clancy in a recent faculty letter: "If you had invested \$1,000 in a savings account in January, 1958, it would be worth \$1,090 today. If you had invested \$1,000 in common stocks in January, 1958, it would be worth \$1,399.32 today (based on Dow-Jones 65 industrial common stocks—and assuming you were lucky enough to pick the right stocks!) But if you had invested \$1,000 in a Cape Coral Home-site in January, 1958, you would be the owner of a choice home site that sells for \$2,240 today."

Frederick R. Barkley of Gulfport keeps us in touch with the Florida boom, and from Colorado come similar reports from Mrs. Leoane Anderson of Denver, whose reading ranges over a wide area.

From the Rocky Mountain News comes a page advertising "an extraordinary new property bargain — five homesite lots all for \$10 a month, in the path of a major city's growth (El Paso)." The lots are 60 x 100—total price of all five is \$995. These are suggested for retirement and investment, as they are "almost certain to rise in price." One dollar would reserve your lots, and money would be refunded, by the developers of Hori-

zon City, "rapidly coming into existence" half an hour's ride from El Paso, a city planned by the "internationally famous designer of Brasilia" (the new but unsuccessful capital of Brazil, See HGN Feb. 1961).

Also in the Rocky Mountain (Global) News we read under a Recife, Brazil dateline, that a nearby sugar plantation worth \$50,000 is on the market for \$10,000, with no takers. Another for \$125,000 can be bought for a fraction of its value. In this northeast area of Brazil primitive methods used on worn-out soil do not produce sugar, cotton and beef as cheaply as in southern Brazil so the hungry workers have adopted violence under Communist influence. They squat on the land refusing to work or to allow the owner to set foot on it. Some owners have been shot despite attempts to deal justly with the workers. "Blood is on the land."

Colorado may have been the 34th state to have passed a memorial asking Congress to hold a constitutional convention to limit the federal income tax and do away with the U.S. inheritance tax. Article V of the U.S. Constitution states that Congress shall propose amendments to the Constitution by

two-thirds vote of each house or when "on the application of the Legislatures of two-thirds of the several states shall call a convention for proposing amendments." Two-thirds of the 50 states is 34.

The Colorado resolution declares that during the past 30 years the proportion of each dollar of taxes paid by residents of the state has changed from a ratio of 77 per cent for state and local governments to a ratio of 73 per cent for federal purposes and 27 per cent for state and local use.

A Denver planning board working with two city departments, has issued a "Gulch and Flood Plain Policy" after studying protection from flood damage. The first of five of the policy positions states, "Gulch and flood plain lands should be in public ownership."

As this central state moves more and more toward urbanization, it is not surprising to find the U.S. Department of Agriculture reporting that the number of farms in Colorado is a thousand less than last year and the smallest since records began in 1910. The average size however has increased, motivated by changes in farming methods, increased mechanization and new equipment.



SOMEBODY IN CLEVELAND REMEMBERS

According to The Plain Dealer (Cleveland, May 20th) County Auditor Ralph Perk offered a tax reappraisal policy which "approaches the philosophy of Henry George, apostle of the single tax, without actually embracing it."

Mr. Perk is quoted as having said, "by increasing the taxes on speculative land we will encourage owners to sell for industrial, commercial and residential developments, thus increasing our tax duplicate as buildings go up." He also suggested high assessments for slum dwellings but it was noted that this would probably require a change in the state law.

The editorial pointing out that Henry George believed there should be a tax on land values only, to discourage land speculation and encourage owners of vacant land to build or sell to someone who would, concludes that Mr. Perk's program would be worth while if it eliminated any necessity for city income taxes.