

Noah D. Alper's Brief Cases

SWEDEN'S BETTER WAY

"When the city of Stockholm, years ago, foresaw the future need for new suburbs, it bought low-priced land beyond the city limits. Now it is extending high-speed modern rapid transit lines into these undeveloped areas and building carefully planned new communities along the routes. The rapid transit lines enormously increase the value of the outlying land, of course — and the income from this land can thus be tapped to help pay for the rapid transit. Stockholm in effect thus harvests the land-boom bonanza that the new transit lines create." This from "Getting to Work and Back" in the March report of Consumers Union of U.S., recognizes, however, that there is a better way!

"American cities experience the same enormous inflation of peripheral land values when improved transportation becomes available... It is not necessary for a government body to buy land on the Swedish pattern in order to tap these unearned increments. Much the same result might be achieved by taxing the land-value increase that results when a freeway or rapid transit line is opened up, and using the proceeds to pay for the freeway or transit line."

SITTING ON AN OIL WELL

A family built a \$55,000 home on top of an oil well. Why? The oil company "converted the tidal slough into a posh residential marina called Huntington Harbor, which sits on the Pacific Ocean south of Los Angeles. Like more and more U. S. companies, it has discovered that land can pay a prettier profit than almost any other investment."

Few articles expose the need to curb the land dealers as does this one in Time Magazine of February 5th. Morton A. Sterling, president of Sunset International Petroleum Corporation is quoted as saying: "The major fortunes in America have been made in land. There's no reason why corporations can't participate... Basically the formula is the one on which John Jacob Astor rode to riches more than a century ago... buy land in the path of population expansion and profit from its development or sale at soaring prices."

"Since land is the world's only major commodity in fixed supply, while population constantly rises, investment in land is, in the long run, the nearest to a sure thing. Owners also benefit from low assessments and taxes on raw land, which make it cheap to hold off the market while its value rises, and have other advantages under federal tax law... As long as the tax rules make real estate an enticing way to cash in on the population boom, more and more well-heeled corporations are likely to take the plunge."

THE GREAT AMERICAN TAX DIVERSION

While the cataracted eyes of the taxpayers are focused on federal spending and taxing, what of the states? State tax collections are up 8 per cent yearly since 1950, according to Tax Foundation's Monthly Tax Features, which predicts that the "47 legislatures meeting in 1965 will be after new methods to raise more money to provide the spending for services (health, roads, education, etc.) that engenders this revenue search."

Major tax sources are pretty well covered at present. Every state levies on gasoline, ranging from 8 cents a gallon in Alaska to an infrequent 5 cents in a few states. In 49 states there is a levy on automobile registrations and 49 impose death taxes. Taxes on cigarettes range from 9 cents a pack in Mississippi to 2½ cents in Kentucky. Before 1901, when property taxes provided 50 per cent of state taxes, only one of the present major state taxes was in effect. The "tax jackpot" came in 1933 when 13 states adopted general sales taxes; 9 levied on distilled spirits; 6 taxed individual income; 5 taxed corporation income; 2 levied on gifts and one on cigarettes.

So in the great shifting of the tax burden those who earn their living by labor are, with "representation," suffering the greatest tax abuse of all time — while those who garner rent of land are tax relieved.