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Tax Revenues from Alaskan Oil

Author(s): Steven Cord

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1. William J. Baumol, "Enlightened Self-Interest and Corporate Philanthropy," *A New Rationale for Corporate Social Policy*, Committee for Economic Development Supplementary Paper No. 31, 1970.

2. Henry C. Wallich, and John J. McGowan, "Stockholder Interest in the Corporation's Role in Social Policy," *A New Rationale for Corporate Social Policy*, Committee for Economic Development Supplementary Paper No. 31, 1970.

3. That such a "preference distinction" is meaningful in an operational sense is exemplified by M. Jay Crowe: "it appears fairly obvious that a person's social position does influence his perception of, and meaning attached to, the phenomena of air pollution." See his "Toward a 'Definitional Model' of Public Perceptions of Air Pollution," *Journal of the Air Pollution Control Association*, Vol. 18, No. 3 (1968).

4. See Robert J. Anderson, and Thomas D. Crocker, "Air Pollution and Residential Property Values," *Urban Studies*, October 1971 (among others) for empirical evidence of this rent effect.

5. Crowe, *op. cit.*

6. As a point of additional interest for such an empirical study, we note that the justification for using property value differentials as a measure of pollution effects is based on the following argument provided by Ronald G. Ridker, "Strategies for Measuring the Cost of Air Pollution," in Harold Wolozin ed., *The Economics of Air Pollution* (New York: W. W. Norton Co., 1966), pp. 87-101. He writes "Since air pollution is specified to locations and the supply of locations is fixed, there is less likelihood than in most instances that the negative effect of pollution can be significantly shifted onto other markets." But this note has focused on a labor market characteristic that is the result of the shifting of the pollution effects.

Tax Revenues from Alaskan Oil

IN 1973, THE STATE of Alaska received \$900 million for the sale of oil-lease rights to private oil companies, but in addition the state expects to receive royalties on the crude oil as it is pumped out of the ground. By 1980, at the planned production rate of two million barrels per day, revenues to the state will rise to \$500 million, according to *U.S. News & World Report* (December 31, 1973, p. 13). These sums are land rent and give us a glimpse of what a full tax on the rent from natural resources would really produce.

Now plans are being made for a second pipeline from Alaska's North Slope, this one to handle natural gas according to an Associated Press dispatch of January 22, 1974. The royalties from this should also benefit Alaskan taxpayers by providing additional state revenues.

Think of the enormous relief available for sales taxpayers and income taxpayers and other victims of our tax system which burdens those who labor and who invest in productive enterprises if all natural resources and all valuable sites in all our states were fully taxed.

STEVEN CORD

Indiana University of Pennsylvania
Indiana, Pa. 15701