

Old Hoax in New Hampshire

by WILLIAM L. HALL

ON November 5, 1968 the voters of New Hampshire, by a slim margin of some 121, gave the necessary two-thirds approval to a constitutional amendment (Question No. 7), an amendment little understood by the electorate, but warmly espoused by a number of organizations throughout the state. Under the intriguing slogan of "Keep New Hampshire Green," the propaganda drums rolled from the Massachusetts border to the Canadian line, and even Bill Loeb, publisher of the state's most powerful paper, the Manchester Union Leader, fell into step. The resulting pressure on voters largely ignorant of fundamental economics passed the measure, it appears.

The nature of the hoax? The people of this lovely old New England state, until now free of a general sales or graduated state income tax, are being subjected to a two-pronged attack against their relatively favorable situation, an attack emanating on the one hand from tax spenders, such as the educationists, and on the other hand from the "property tax relief" boys, mostly land speculators. The "improve our public services" gang has plugged incessantly for the "modernization" of the tax structure through sales and income taxes. The "keep New Hampshire green" laddies (sharing their personnel roster in many cases with the sales and income taxers) yelped for Amendment Seven, which will allow the legislature to require local assessors to assess land on the basis of its *current* use. Presumably, if there is no "use," there is no tax.

For anyone not residing in the area, it is difficult to believe the extent to which land prices in New Hampshire have boomed in recent years. In some cases, realtors suggest the likelihood of

doubling one's money in a single year, through investment in land. A tract of land near (but not on) Lake Winnepesaukee, purchased less than twenty years ago for \$3,000, a sum immediately recouped by the owners through the sale of cutting rights to standing timber, is being sold by the acre at prices which total between three and five million dollars.

Within spitting distance of the center of Keene, New Hampshire, (the All-American City) one can drive for miles on a new section of Route 12 and see nary a house nor improvement of any kind. Miles from this same city are to be found, spotted here and there clumps of new houses crowded together, excellent examples of the sprawl which is resulting from a tax system which even now gives enormous encouragement to the land speculator. What will this sprawl be like when Amendment 7 is implemented?

Within the City of Claremont, New Hampshire, a few blocks from the center of town, a large tract of vacant land has recently been purchased by a speculator who told the writer he planned to hold it idle at least ten years, until it was "ripe for development."

The usual pious platitudes have been trotted out for Amendment 7. In the literature accompanying the campaign, a forester-turned-speculator tells us of a poor little old lady whose land-holdings border a river, who has graciously allowed the folk of the neighborhood to bathe and disport themselves therein and who is now threatened with the loss of her "property" because of increasing "property taxes". The state abounds, it seems, in such little old ladies. One of them recently sold land to a town for the erection of a school.

(Continued on page 16)

Old Hoax

(Continued from page 3)

She and her retired-farmer husband garnered about \$1,000,000 on the deal. Nothing is said about the countless young couples, just marrieds, about-to-be marrieds, who are denied an opportunity to own a home or to start a little business, because of the price of land. As to "go to farming" now in New Hampshire — forget it!

People properly educated in economics understand that the real hoax in old New Hampshire is the same one that is being perpetrated on peo-

ple everywhere—the claim that "property taxes" must be lowered while other taxes are raised. Those in the know realize that this is simply the age-old ruse to shift the burden to the wage-earner and enrich the landholder.

California defeated by a wide margin the Watson Amendment introduced by the Los Angeles County Assessor (Nov. p. 7). Oregon voters turned down a similar measure when they defeated a 1.5 percent property tax limitation. The criticism most often made is that these proposals slash revenues without providing compensatory support for public services, especially schools.

There were some disappointments in various states for candidates favorable to land value taxation, but the encouraging new thing is that increasing numbers of candidates are willing to espouse this much needed reform. S. James Clarkson was one of the first to become so bold, and after seven years as the successful mayor of Southfield, Michigan, where he modernized

the assessment methods, he has been elected a judge in the 46th District Court.

It is encouraging that a member of Congress from Missouri, Thomas B. Curtis, advised reform of property laws when speaking to the city council of Kansas City. He said improvements should be taxed less and the land somewhat more as a means of equalizing the burden. He also proposed taxing the federal government on its property holdings in both urban and rural areas to give local government more money and prevent the government from buying and holding land unused. This would be far more fundamental and democratic than proposals to supply states and cities with part of the income taxes collected by the federal government, he said.

Constructive ideas, anybody? Why not write to The Manchester Union Leader, Manchester, New Hampshire. It publishes daily a full page of letters to the editor.

The New Hampshire General Court (the legislature) has yet to pass the implementing legislation on Number 7.

the assessment methods, he has been elected a judge in the 46th District Court.

It is encouraging that a member of Congress from Missouri, Thomas B. Curtis, advised reform of property laws when speaking to the city council of Kansas City. He said improvements should be taxed less and the land somewhat more as a means of equalizing the burden. He also proposed taxing the federal government on its property holdings in both urban and rural areas to give local government more money and prevent the government from buying and holding land unused. This would be far more fundamental and democratic than proposals to supply states and cities with part of the income taxes collected by the federal government, he said.

49

FILE