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New Land Reform Group Challenges Agri-Corporations

ITT not only shreds memos and fiddles with South American politics, but also raises pigs. Greyhound (turkeys) and John Hancock (soybeans) are two more of the corporate farmers controlling huge blocks of land, mostly in California.

According to the newly-founded National Coalition for Land Reform, the conglomerates hold their individual farmers in feudal servitude, waste water and destroy ecological balance, lobby the government out of millions in tax breaks and agricultural subsidies, violate various federal laws, and in the end show their true colors by selling their holdings for high-profit developments.

The hot spot of the land reform controversy is the Imperial Valley, where 80% of the land is held by such absentee landlords as Purex, Dow Chemical, Southern Pacific, and Kaiser Aluminum. At issue is the Reclamation Act of 1902, which states that farmers using federally-supplied water must live on or near their property and may not receive water for more than 160 acres. But the Reclamation Act has not been enforced since the 1930's when the valley began receiving water from Boulder Dam.

In November, 1971, an out-of-state judge upheld the residency requirement. The Justice Department claims that it's too late to enforce the law after such a long breach of it, but may be persuaded otherwise by those who point to the Department's enforcement of an even older anti-pollution law in the past two years.

Senators Fred Harris (D., Okla.), Birch Bayh (D., Ind.), Gaylord Nelson (D., Wis.), and others have introduced legislation enabling the government to buy the now-illegally held land and re-sell it to small farmers. Senator Adlai Stevenson (D., Ill.), after holding hearings on land distribution in his committee on migrant labor, declared that federal subsidies to large corporations force small farmers off the land and send rural workers onto city welfare rolls.

Senator John Tunney (D., Calif.) and President Nixon, however, oppose enforcing the 1902 law.

Redistributing land would help the environment as well as the financially beleaguered small farmer, says the Coalition. Evidence from another group, the Environmental Defense Fund, shows that small farmers use less water, fewer pesticides, and less chemical fertilizer per acre than corporate farmers. Corporations tend to have less interest in how the city

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Tax Windfall for N. J. Business?

Next January marks the deadline for New Jersey legislators to come up with a new way to finance schools, and a special session has been set for June. Governor Cahill's tax policy committee recommended a graduated state income tax and a statewide property tax of $1 per $100 of market value. At the moment Cahill's Republicans are studying Democrats' charges that the tax package presents a $200 million windfall to business and industry. While individuals have their taxes shifted from property to income, they say, business and industry are relieved of $460 million in property taxes without a corresponding increase in other taxes.

Restrictive Zoning Struck Down in New Jersey Court

"Going all the way" is a phrase that's moved out of the back seats of automobiles and into the newspapers, its fervor and frequency applying to conflicts people want adjudicated by the U.S. Supreme Court. The limits at issue now are those of zoning ordinances excluding apartment house construction and low-income groups from the southern New Jersey town of Mount Laurel.

It was here on the outskirts of Philadelphia that a N.J. State Superior Court judge recently ruled exclusionary zoning unconstitutional because of economic discrimination. With wording reminiscent of the school financing decision earlier this year, Judge Martino declared that the town had used "Federal, state, county and local finances and resources solely for the betterment of middle- and upper-income persons."

Past zoning decisions have merely struck down the offending provisions. But this ruling orders the town to identify and tabulate the present and future housing needs of low and moderate income groups—and present a plan within 90 days to meet these housing needs. The ruling thus deals with both the zoning regulation banning apartment houses and an "unofficial policy" of coercing poor people to move away by not employing available housing subsidy funds. This was alleged by the legal group bringing the suit, who pointed to the doubling of population in Mount Laurel about every ten years, with blacks comprising 16% of the population 30 years ago and only 3% at present.

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from the editor's notebook

Gambling was banned in Boston in 1630, but that was before the invention of bingo. Lotteries were the big thing in those days, providing funds for the founding of Yale, Harvard, Princeton, Dartmouth, Columbia, and other schools.

Now that the property tax has emerged as the villain of municipal finance, legislators are dusting off the lottery wheels in a rush to rescue public education, and their seats.

The charm of legalized gambling lies in the $50 billion or so that can be wrested away from the underworld with one stroke of the pen. An added attraction is removing from the books all those spectacularly unenforceable anti-gambling laws. To charges that state-sanctioned gambling is inequitable taxation of the unpropertied, legislators can reply that the wages of sin might as well be paid to bureaucrats as to mobsters.

34 states are now in the gambling business, 6 with state lotteries, 28 with horse race betting. Michigan recently increased the state income tax by 50% – and repealed the ban on lotteries and bingo. California instituted a state withholding tax, raised bank and corporation taxes, and is now entertaining the idea of a state lottery. Rhode Island tried out a personal income tax this year, and is rife with proposals for off-track betting on horse and dog racing and jai alai court licencing. A Maryland lottery comes to the vote in November, although a proposed beer tax may also add to the property tax take.

In Connecticut, the first state lottery wheel spun in February, and both ontrack and off-track betting is expected in the near future. Colorado allows on-track betting and will decide on a sweepstakes in November. Hawaii may take a step toward legal wagering if cock fighting is legalized.

In none of these states have legislators proposed restructuring the property tax.

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Nixon thinks our tax laws are fair and don't need revision. So a Deputy Assistant Secretary of the Treasury is touring around with a slide show demonstrating that loopholes in the individual income tax don't account for very much money, and that corporations are taxed more heavily than individuals. The calculations for this last assertion do not include accelerated depreciation deductions, not a tax preference by Nixon Administration lights. "There are more important problems before the nation than reshaping our tax laws," said the Deputy Assistant. "We're doing pretty well."

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The Town of Port Credit in Ontario is going to become a demonstration area for site value assessment. The Assessment Committee of the Ontario Association of Municipalities is considering the details of site value assessment, courtesy of the Ontario School of Economic Science. The president of the School is Malcolm McCarthy.

WALL STREET JOURNAL

"What do you suggest for someone who's just had his property reassessed?"

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Senator Edmund Muskie (D., Me.) is continuing to hold hearings on the property tax in his Subcommittee on Intergovernmental Relations. Expert testimony came from Ralph Nader this month that there is no alternative for raising the $40 billion now provided by the property tax. The tax must therefore be reformed rather than abolished, he said, and accused "corporate lawlessness" of undermining the system. His best example is United States Steel, which pays Gary, Indiana $16 million less than were its property assessed according to the law. If this tax were paid, he added, the typical worker's home would bear 22% or $132 less property tax burden per year. The device by which U.S. Steel evades the tax is simple refusal to take out building permits.

Other companies were cited, but most of their evasive tactics are legal–special tax-exempt industrial zoning, underassessment, and threatening to leave if taxes are levied (much less raised). "This tax blackmail literally has stripped state and local officials of their practical power to tax," said Mr. Nader. "The public is being led astray on the property tax question. The property tax should be a fair and equitable and even progressive tax if the revenues currently lost through underassessment and maladministration could be regained."

Senator Muskie agreed with this statement of the "tax revolt."

Restrictive Zoning
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It is, of course, one thing for a judge to order the identification and tabulation of present and future housing needs; it is quite another thing for an administrator to compile them.

To tabulate even present needs requires the use of someone's definitions both as to what is suitable housing and whose needs are to be considered worthy of tabulation. On the other hand, projecting such presumed needs into the future calls for even greater perspicacity. This situation is likely to become another case wherein the judge decides and others dispose of the matter.

The legal group, Camden Regional Legal Services, Inc., was criticized earlier this year by Spiro Agnew, who contended that one federally supported organization should not interfere with the work of another such organization. That case dealt with a federal housing program in Camden.