

Noah D. Alper's Brief Cases

OUR SHRINKING WORLD (?)

According to an item in the Omaha World-Herald based on a report in the Illinois Bankers Magazine, C. L. Steward, a professor of "land economics," and Harold Guiter, assistant extension editor for a college of agriculture, found that competition for Illinois land was increasing as well as the prices. It seems land values in Illinois have climbed from an average of \$82 an acre in 1940 to a recent estimate of \$278. The price soars as high as \$427 an acre, and even land with a low producing value costs \$128 an acre. Can it be that the world is growing smaller? Is the land shrinking, or does it just seem that way because of our land-tenure taxation policy?

TAX MUDDLE MUDDLED

"The latest West Virginia Tax Extension is perhaps the most weirdly constructed bill ever to get through a Legislature that has some pretty weird bills to its credit, according to a news item in the Wetzel Republican. It seems that operating under the illusion that taxes and sources are one and the same thing, the Legislature, seeking more revenue, picked soft drinks and allied products as its target.

"The resultant muddle produced a \$.01 tax per ounce of powder and \$.00625 tax per ounce of liquid syrup." As a result, a 16-ounce package of Hershey's syrup, which sold for 22 to 25 cents, and a 2½-pound box of Nestle's "Quick," usually sold under \$1, are taxed at 40 percent or more. "Under such a tax," states the Wetzel Republican, "West Virginia may be the scene of many a strange drama as state police cruisers pursue speeding hotrods bootlegging 'hot' cargoes of ovaltine to beat the tax."

FRAGMENTS OF THE GREAT GIVEAWAY

The U.S. News and World Report of February 14th had an article entitled "Wave Lengths Worth Millions: Nation's Biggest 'Giveaway?'" Following is an outline covering a nine-year period which speaks for itself:

"1948 Company A asked Federal Communications Commission for a license to operate a TV channel in a Southern city. Estimated cost of station: \$186,000. FCC granted license.

"1953 Company A asked FCC for permission to sell the station to company B. Price: \$2,400,000. Physical assets were valued at \$1,200,000. 'Intangibles,' including the license to operate, represented \$1,200,000. FCC approved company B as the purchaser and new holder of the station license.

"1957 Company B asked FCC for permission to sell the station to company C. Price: \$6,300,000. Physical assets were valued at \$1,500,000. 'Intangibles' by now represented \$4,800,000. FCC approved company C as the new licensee.

"The right to operate this TV station, plus other 'intangibles' such as 'good will,' thus grew in value from zero to \$4,800,000 in nine years. Approval of the FCC in Washington had to be obtained for each successive deal that bid up the TV channel's value."

WORTH REPEATING

A new generation is now at the business helm, a generation that has not experienced the fiercely competitive and individualistic era before the great depression. We have acquired the vicious habit of running to the government for help every time we encounter heavy going. Most of us give lip service to free enterprise, and we assail government intervention in business; yet when the going gets rough we clamor for a dose of inflation and controls on the other fellow's business.

FRANCIS A. KETTANEH in *Christian Economics*