

Noah D. Alper's Brief Cases

NEW WAY — SAME EVIL

"The supply of land was fixed when the earth took shape. So as the population keeps growing, the demand for that limited land will keep pushing prices up." This is the logical reason advanced by some for investing in real estate. Emanuel B. Halper, LL.B., who specializes in real estate and taxes replied to an article entitled "New Way to Invest in Real Estate" in *Medical Economics*, with: "If you share this doctor's enthusiasm for real estate investments, you may want to consider a new investment medium: the real estate investment trust" . . . with profits from 7 to 9 per cent, plus "tax benefits."

SLUM OWNERS REAP MILLIONS

According to a spokesman for the United States Chamber of Commerce, "slum owners have reaped millions of dollars in windfall profits from federal urban redevelopment programs, and the evidence of waste is increasing all the time." Some landlords have received as much as 55 per cent over the fair value of their property, it was stated, and the reason for the alleged waste of money and failure to meet needs was said to be the fact that with federal subsidies the emphasis is on "getting the federal dollar, not solving the problem." Shortages of low and medium rent housing in New York continue unabated, the specialists said, despite the large expenditures.

WHO GAINS OR LOSES IF A VILLAGE IS DISSOLVED?

An AP dispatch from Necedah, Wisconsin states that the residents have come up with what might be an effective, "if somewhat drastic, solution to the problem of increasing village taxes—they may do away with the village."

The village president said there was just one reason for the move—taxes. The surrounding township supported by a hydroelectric plant has no real estate tax, while the village has to raise its own funds. Between the 1950 and 1960 census, the village lost 20 per cent of its population of 863, with a good share of migration just past the village limits.

How about it, Georgists? Who pays who, and who gains? Who loses? What are the facts concerning those who live in the township but not in the village—those who live in the village and township—those who live outside the township yet are serviced by the township hydroelectric plant?

USE AND ABUSE OF LAND IN ST. LOUIS COUNTY

"The most obvious feature of the development of St. Louis County is the suburban sprawl; and this wasteful and illogical land use is caused by the owners of vacant or farm lands being able to cash in on the development that surrounds them, paying only minimum taxes while they wait for land values to increase by leaps and bounds," declared Harris Armstrong in the *St. Louis Construction Record* of December 12, 1961.

"There is, however, a method of combating this particular weakness in the private ownership principle which is being used with great success in New Zealand, Australia, and Western Canada. This is called 'Site Value Taxation,' i.e., exempting improvements from taxation and taxing only unimproved value of the land."

The disadvantages of our system of low taxation on vacant land, he continued, is that it encourages speculation which forces development beyond the proper logical areas. The "sprawl" is created, he said, because many parts of St. Louis County have zoning laws requiring a one-acre minimum for a house. "It is certainly true," the spokesman for FAIA declared, "that a hardship would be imposed upon certain property owners while others immediately across these somewhat arbitrary lines would be benefited financially. Just how such a thing can be ethically justified, even if a legal means may be found for its accomplishment, is another facet of the problem."