

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 Michigan recently increased the state income tax by 50% — and repealed the ban on lotteries and bingo.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 licensing. 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 on-track 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.

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"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 (continued from p. 1)

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.