

*Deborah Kerr and hubby Peter Viertel
are among the famous personalities who make
their home in the picturesque Alps.*

of them sovereign states, roughly on the American model, but each with its own tax structure. An actor, seeking Swiss residence, first approaches the tax officials of each canton in turn to see which offers the best deal. Noel Coward, for example, made a deal with the Canton of Vaud whereby he is taxed at 5 percent of the rentable value of his property.

All the deals are different, and all personal.

One top star, who asked to be numbered like his bank account rather than named, told me: "The authorities expect a certain amount of horse-trading. This means that you have to have enough money to make it worthwhile for them to come to terms, otherwise they will just laugh in your face.

"They offer you a tax arrangement. You turn it down as excessive. Eventually my own arrangement was hammered down to this: I pay in Swiss taxes a flat \$2,000 a year, whether I make a million or nothing. The American Government knows all about it, and doesn't like it, but there is a tax agreement between the United States and Switzerland, so as long as the deal satisfies the Swiss, the U.S. is bound to respect it."

Swiss Proud, British Furious

The system, happy as it is for the stars themselves, has created some curious anomalies for the governments concerned. The country least affected by it, Britain, is furious about it. The country least flattered, Switzerland, preens itself with pride at the system.

The loss to America is considerable. At a rough estimate, the gross annual income of Alfred Hitchcock, William Holden, Yul Brynner, and the Mel Ferrers alone is in the neighborhood of \$4,000,000. The income of the entire American movie colony in Switzerland is almost incalculable, certainly running into nine figures. The situation has attracted the attention of the Kennedy Administration, and one of these days the Government may put a plug in this tax drain.

England has watched the departure of such stars as Richard Burton, Noel Coward, and Peter Ustinov in a foaming froth of patriotic anger. All three have long since ceased to be strictly British stars. The bulk of their income is American, and the loss falls on the American rather than the British taxpayer, but the stars have to endure heavy attacks in the British press.

Peter Ustinov replies, "By the logic of the English papers, every British ambassador is a traitor for living abroad. So is Somerset Maugham. I am going to Switzerland," he adds gloomily, "because I work better there. In Switzerland there is nothing else to do."

And Noel Coward says simply, "It was either Switzerland or bankruptcy for me."

Neither of these remarks indicates any burning love for the adopted country. The fact is that, although Lausanne is very proud of its Hollywood colony, the colony

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Switzerland is a wonderful place to live—especially for tax purposes!