San Francisco Bay—More Polluted than Lake Erie

BERKELEY—Continuing the current approach of local waste management programs using traditional or outmoded treatment plants will lead to tragic ecological consequences for San Francisco Bay, a University of California sanitary engineer has declared.

Professor Erman A. Pearson of the University's Berkeley campus, writing in the latest issue of "California Engineer," calls for the rapid implementation of a regional waste management system along lines recommended in a recent State-backed study.

Comparing the Bay to the reportedly dying Lake Erie, Pearson says the Bay is in worse shape in terms of traditional pollution levels.

"It would appear," the engineer states, ". . . that if Lake Erie is 'dying,' San Francisco Bay is by no means in a dynamic state of health."

Lake Erie is probably not dying, however, Pearson says, adding that "it appears to be as productive as San Francisco Bay with considerably lower concentrations of pollution parameters such as coliform bacteria, nitrates, and phosphates in the water and organic carbon, nitrogen and sulfides in the sediments."

Planners, engineers, and scientists are in dire need of more quantitative ecological data if they are to fully understand and deal with the problems of water pollution, he notes.

"To practitioners in the field, the paucity of environmental quality data as well as the lack of a scientific basis for describing the 'effect' function makes the field of water quality management not only challenging but frequently fraught with idealism, politics and witchcraft," the professor states.

From 1959–64, Berkeley sanitary engineers worked with the State Water Pollution Control Board (now the Water Resources Control Board) on one of the first large scale ecological investigations of waste discharge effects ever conducted in a metropolitan area.

Their findings on waste discharge and sediment quality in the Bay were later used for the State of California-Kaiser Engineering Consortium San Francisco Bay Delta Water Quality Management Program report, published last year.

This program, the first of its kind to be based on quantitative relationships between the "health" or diversity of the biota and the acute toxicity in waste discharges, called for:

- a regional organization to plan, construct, and operate a comprehensive regional waste management system.
- immediate consolidation of many of the smaller waste disposal systems.
- construction by 1990 of a conduit to carry regional wastes to a major treatment plant at Redwood City and from there to carry the treated wastes to an outfall dispersion system off the coast.
- acceptance by 1990 that waste water reclamation for industrial, agricultural, and even domestic use will be necessary. A waste water reclamation system for most of the reclaimable wastes should be built with the terminal treatment plant located east of Antioch.
- improved design of treatment plants to deal with the real problems rather than following traditional design practice (largely copying).

Action on the first step, the creation of a regional agency, must take place soon, Pearson states, "if the ecology of the Bay-Delta area is to be protected from severe damage."

The improved treatment plants of the future will have to pay attention not only to toxicity but to the removal of oils and floatables for aesthetic reasons as well, Pearson says.

The "California Engineer" is a student publication on the Berkeley campus.

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California HOMEOWNER

June, 1970 — Twenty five cents

The Case for Taxing Location Values

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CALIFORNIA HOMEOWNER MAGAZINE

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Funds are needed so more assessment surveys can be made.

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manually copied from grant deeds and the assessment records, which are public records.

PUBLIC RECORDS ACT

On August 29,1968, the governor signed into law the California Public Records Act. That Act, in Chapter 3.5, Sec. 6250 states the following:

In enacting this chapter, the Legislature, mindful of the right of individuals to privacy, finds and declares that access to information concerning the conduct of the people's business is a fundamental and necessary right of every citizen of this state.

In subsection (d) of section 6252 it states:

"Public records" includes all paper tapes, photographic films and prints, magnetic or punched cards, discs, drums, and other documents containing information relating to the conduct of the public's business prepared, owned, used or retained by any state or local agency regardless of physical form or characteristics.

ASSESSOR REFUSES TO GIVE DATA

On July 11,1969, after considerable correspondence and consultations with employees of the Auditor's Office, County of San Diego,(they handle computer data for the Assessor's office) during which time we were assured that it was technically feasible and a relatively simple task to provide 12 reels of tapes containing information on property subject to taxation in San Diego County.

After submitting our request for the tapes, the county Assessor informed us that, due to a number of similar requests and because of a rather comprehensive system change over, the request for such tapes would have to be deferred for some time. *Keep in mind that the only part the Assessor's office has in providing the requested tapes is to give the OK. The work was being done by the Auditor's office, and they already said it was a relatively simple task.*

Therefore on July 23,1969, we filed a Writ of Mandate to Copy Public Records, under Govt. Code, chapter 6258. In due course, the hearing was had on the matter, on September 22,1969, when the Assessor's witnesses testified.

More than 6 months later, on April 3, the court ordered the assessor to give us the tapes. It took till April 29, to decide on costs and proceedure. *(Real efficient)* At that time we were told that preparing the tapes would take 2 to 3 weeks. *(4hrs. work)*

After three weeks had passed, we called to ask about the tapes. We were told it was entirely out of their hands and that the delay was in the data processing dept. Upon calling the E.D.P. department it was learned that a note attached to the order stated that the information was to be made available after June 1, *in direct contempt of the court order.*

After discussing the situation with our attorney, it was decided that contempt of court charges be filed against the assessor. The court set a preliminary hearing on the matter on the following Monday, May 25. When we arrived for the hearing, the tapes were on the table waiting for us.

THAT ISN'T ALL

One would think that that is the end of the hassle for the assessments, but, it isn't. On the following Monday, when we tried to run the survey, it was discovered that one of the 12 tapes was a dog, and it was put there in place of the correct one.

As this magazine is going to press, and after a full year of waiting, we still do not have the public records of the assessor.

The Sept. issue of California Homeowner will have the results of the survey. It will be interesting to see why the assessor is trying so desperately to keep his records for getting out. END

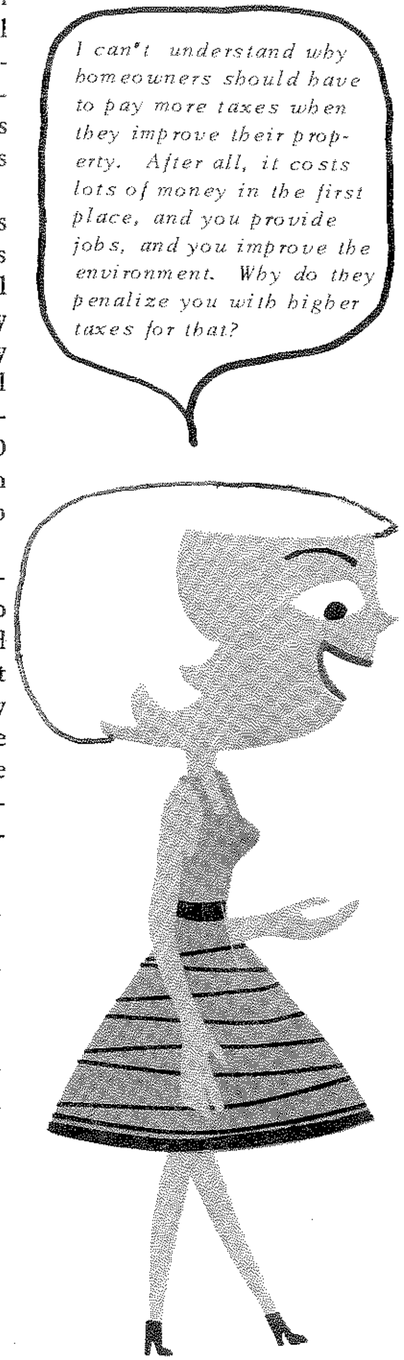
(continued from page 7)
public improvements for private profit—is the biggest subsidy of all, far bigger than the shipping subsidy, bigger than foreign aid, bigger even than all the federal farm subsidies, which, not so incidentally, the Federal Government's own report on the causes of rural poverty has now identified as mostly a land subsidy that has "created a class of rich rural landowners but done little to improve the condition of the rural poor." It has made more Americans rich at the public expense than all our oil wells and all our gold mines.

Once in a blue moon this subsidy becomes so obvious that it arouses public protest. For example, when San Franciscans bonded themselves for nearly a billion dollars for the Bay Area Rapid Transit the windfall for landowners around its stations was so big and so obvious that Lady Barbara Ward of the London *Economist* heard the report 5,000 miles away in England and urged them to get busy and recover some of that windfall from the landowners. This aroused considerable agitation. But Californians seem willing to enrich one single California family with a $200 million windfall as a direct result of bonding themselves for $1.75 billion to bring Feather River water to irrigate 400,000 arid acres on the way to Los Angeles!

Marshall Field, the department-store-tycoon-turned-multimillionaire-land-speculator, once said: "I wouldn't call owning land a good way to make money; I wouldn't call it the best way to make money; owning land is the *only* way to make money." Economists will dispute him. But at least it is the bonanza way to make money because under today's property tax breakdown other people—mostly other taxpayers—put up most of the money needed to make the land more livable, more valuable, and more richly saleable—but *only the landowner can cash in on that huge investment of other people's money!* And that's why, in the words of an economist, John Stuart Mill, "Landowners can get rich in their sleep."

A hundred and sixty years ago the father of classical economics, David Ricardo, spelled out a simple truth that is still almost unchallenged: "The interest of the landowner is directly opposed to the interest of every other element in the economy." In other words, what is good for the landowner is no good for anybody else. Today's land price inflation that is so good for today's landowner is bad for everybody else. Bad for the homebuyer. Bad for the homebuilder. Bad for the land developer. Bad for the mortgage lender who finances the inflation. Bad for the realtor who has to sell the inflated price. Bad for the architect. Bad for the land planner, whose planning is frustrated by high land costs.

Why should we single out the landowner whose interest is so opposed to everybody else's and reward him with the most costly subsidy of all? *Reason No. 3 for multiplying the tax on unused and underused land is the How-to-get-better-suburbs reason.* Its rationale is that we cannot afford the heavy costs of suburban sprawl, by-passed land, and premature subdivision, which for brevity's sake can be called the heavy costs of sprawl. We cannot afford the tax cost, the wasted-time cost, the unemployment cost, the agricultural cost of sprawl.



of a community. (No changes in the law were necessary to do all of this, just assess according to the law.)

NEW MAYOR, NEW ASSESSOR

After several years of success and the tremendous benefit to the people and the economy of this small city next to Detroit a tragedy occured. The Mayor was elected Judge and a new mayor took over.

With the new mayor came a new assessor, and with the new assessor came a new policy, and with the new policy came a 27% increase in taxes for hoemowners and businesses.

This new policy could very well bring a screeching halt to all the progress which has been made over the past few years.

The new policy was to reduce the assessments on much of the land holdings in the city.

Land assessments were reduced on a wholesale scale, which caused the equalization factor of 1.27 to be applied to the whole assessment roll. Thus, a home properly assessed at 50% of its market value would pay 27% more if the tax rate remained the same.

The skulduggery was brought to light when the Detroit Edison Co. paid $1.075 million for 15 acres of land which were part of a 51 acre parcel which had the assessment of $252,500 reduced to $202,000 as part of the wholesale land assessment reduction program of the new team.

LAND ASSESSMENTS TOO HIGH CHARGED

To justify the lowering of land assessments, the new team argued that the previous 'bad guys' were unfair to land owners by assessing them like everybody else. The truth of the matter is that they should have been increased by the new team instead of lowered as evidenced by the Edison purchase. Those 15 acres should have been assessed at $500,000, instead of the whole 51 acres being reduced to $202,000.

An example of some of the other reductions are shown in the table to the right.

PARCEL	ACRES	FROM	TO
Bertrovato Co. (-275,700)			
246 A	23.89	179,200	119,450
260	51.00	252,500	202,000
246 C	15.15	109,100	72,700
259 A	42.60	210,700	168,500
262 A	12.75	94,600	63,100
265 A	14.50	106,100	70,750
265 C	24.90	200,000	180,000
		1,152,200	876,500
Thomcs Paine (–54.700)			
230 C1	1.87	24,600	19,650
230 D1	5.12	89,500	71,600
230 E1	6.09	106,500	85,250
230 J	4.05	53,100	42,500
		273,700	219,000
Charles Baveric (–1.437,000)			
336 A	57.15	2,225,500	1,400,100
338 A	15.70	608,700	381,100
304 A	49.90	726,000	580,800
306 A	18.23	273,500	218,000
509	80.00	640,000	456,700
		4,473,700	3,036,700
(Ted Iacobson, councilman) & Perlman (-62,000)			
427 B1	14.17	181,900	161,550
427 B2	16.61	213,300	179,400
427 B3	5.46	73,200	65,450
		468,400	406,400
Certain Others (–1,498,300)			
174 A1	12.20	251,600	171,200
234 A	47.30	234,100	121,050
301 A	20.10	481,700	385,350
317 C	26.65	654,500	498,350
322 A	13.08	455,000	364,000
322 B	21.48	751,800	601,450
242 A	28.08	289,800	193,200
388 BCD-2A	11.14	351,900	281,500
490 AB	13.01	292,700	167,300
557 A	54.73	1,689,800	1,351,850
558	8.90	289,200	231,350
Northland Pointe Inc.		612,400	552,050
		312,200	249,750
		6,666,700	5,168,400

REDUCED ASSESSMENTS ON LAND CAUSES HOMEOWNERS TAXES TO BE INCREASED 27%

The 32 parcels listed above accounted for $3,327,700 of the reductions made by the new team. One should bear in mind that these reductions were made in the face of land values rising due to the tremendous economic activities going on. The Edison purchase is a good example of the increasing land values.

The Bentrovato Company, who sold to Edison, obtained the property less than two years ago from the Detroit Bank and Trust Co., trustee for the estate of the late Thomas Brown, and paid $181,625 for the entire 51 acres.

1.27 EQUALIZATION FACTOR

The equalization factor of 1.27 will increase the city assessment base of $449,562,485 to $570,944,355 or an increase of $121,381,870 which home owners and business will have to pay since the reductions in land as shown in the 32 cases above does not even bring the land to the previous values before the reductions were made. The 1.27 factor would increase the $9,707,000 to $12,327,890 while the previous total was $13.034,700.

It is possible that the wholesale reductions did not amount to the total $121,381,870 being increased by the 1.27 factor, but it could very well represent a lesser amount of about $100,000,000 plus $21,381,870 of increased values of all the vacant land in the city, since it is not likely that while wholesale reductions were being made on some, increases were made on others.

One official of the Southfield Federation of Civic Associations commented, "This is a rape of the taxpayers pockets."

HOW DOES YOUR ASSESSOR LOOK AT LAND?

The story of Southfield, Michigan is a clear cut example of just how much an assessor has to do with the taxes homeowners, business and land speculators pay.

If your assessor is looking at slum and prime vacant property with his eyes shut to the real market value, you as a businessman or homeowner are paying more than your fair share of taxes.

If your city has boarded up buildings or vacant lots on your main streets chances are that you are paying the taxes such properties should be paying. There is only one reason why valuable property can sit vacant or have slum buildings, that reason is low taxes. If assessors would assess those properties at the same ratio to market value as homes and businesses, the owners could not afford to hold those properties off the market and developers anxious to get at prime property could utilize it to the highest and best use.

Most of the major cities of California suffer from low assessments on vacant and slum properties. Prime land in the hearts of our cities sit vacant or with old deteriorated buildings. Developers could do wonders with such properties, but owners are sitting tight with low taxes and fantastic increases in value each year.

PROPERTY TAX RELIEF GIMMICKS

The governor and legislators who are talking property tax relief in terms of less property taxes and increased state taxes are playing further into the pockets of land speculators. No homeowner or businessman will benefit from increased state taxes. The property tax relief program which increased the sales tax and the the income taxes these past three years have not reduced property taxes, nor will any other increases in state taxes.

When one looks at what happened in Southfield, Michigan as a result of good assessments, and look to the other cities of Michigan and the cities of California, and the other major cities of this country, the question to answer looms to the forefront, **"Do we need new taxes, increased taxes, state and federal aid, or do we need assessment reform"**? I think the answer is clear that we need assessment reform. END

officers or employers of any bank and are appointed by the Board of Governors. One of the Class C directors is designated Chairman of the Board of the District Bank and is required to maintain an office on the premises of the district bank. So if you go to a district bank to find out anything, remember, you are just talking to a Class C member. (Typical Class A member, Bernard Baruch.)

Is it true then, when we speak of the National debt, "we owe it to ourselves?" No, we owe it to banks. What would happen if we repudiated it? A lot of bankers would go broke, but so would we. We could devalue the dollar by raising the price of gold. This would not cause them to go broke, but cut the value of the reserves they hold, it would be easier on you and me, but hard on the bankers, so we probably won't do it.

What else could we do? Buy back the Federal Reserve Bank and stop paying millions in interest money every year. When the United States buys a battleship it buys it with loans made by banks and other institutions with the backing of the Federal Reserve Bank. (Defense Production Act of 1950.) Why should we pay for the battleship many times over in interest rates to the banks?

New York economist Pierre Rinfret believes the government should re-assume the responsibility for the currency and fiscal policy and go back on the gold standard. The American Institute for Economic Research has recommended devaluation of the dollar by raising the price of gold and using the profits created from devaluation to retire all U.S. Bonds and debts and securities held by the Federal Reserve Banks. They also recommend that the Nation's Banks be required to restore the balance between their investment type assets (real estate bonds, mortgages, and installment loans) and their savings-type liabilities (capital and surplus plus time and savings deposits.)

Will the government take these sensible measures? Of course not. When did the government ever take sensible measures? END and Viet Nam, which takes about $30 billion per year OUT OF THE ECONOMY, then you can see where that two-thirds of your dollar has gone. Going into debt, fighting wars, subsidizing farmers and industrialists, placing artificial price floors under commodity prices and setting up imaginary ceilings over rent and interest do not add one dime to our real wealth but they dertainly detract from it. Wealth, to be wealth, must be material, it must be produced by human labor and it must be mined, manufactured, altered in some way so as to make it usable and desirable by man. The cost of living is the cost of producing these things we need. Land, Labor and Capital all play a part in the production of real wealth. If land is too high, we cannot afford to produce on it or with it. If wages are too high the unit cost of those goods we need becomes too high and if capital is scarce we cannot produce at all. Money was intended to be used to manufacture wealth, or goods; when it is used for usury, or money-lending, it distorts the money it creates.

A book called "The Federal Reserve Hoax" (by Wickliffe B. Vennard) blames all our problems on the Federal Reserve Bank and says that Abraham Lincoln created the only interest free money this country has ever had and was shot as a result by a stooge of the international bankers. Well, Booth may have been a stooge for someone, and it may be true that we have never had anything but "monetized debts" since then, but it is difficult to believe that it was all a plot of international bankers. I would blame fuzzy thinking economists and voters who don't pay attention to their government policies, especially monetary policies. We do have the vote in this country, we can vote for sound banking practies.

Chairman William McChesney Martin of the Federal Reserve Bank has said, "Whenever the savings of individuals and businesses do not match the demand for capital and you use the banks to create money, you don't need to be a mathematician to see what happens to the value of your dollar."

So why does our government allow the Federal Reserve Bank to create money? The Federal Reserve was created in 1913 to "furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States and for other purposes," to quote the Federal Reserve Act.

The Constitution of the United States prohibits anyone from printing money except the government, yet this power was given to the Federal Reserve. In 1969 the last of the "real money" or interest free dollars based on gold and silver were recalled. We now have Federal Reserve Notes, supposed to be an obligation of the United States and a lein upon the assets of the bank. They are issued against a pledge of the Reserve Board with the agent of collateral consisting of gold certificates, paper discounted or purchased by the Bank and direct obligation by the United States, (bonds)

The Federal Reserve supervises the issue and redemption of Bonds and other securities, they supervise the general monetary, credit and operating policies of the member banks. Besides the transfer and discounting funds they exert an influence over credit conditions. By raising the prime rates and reserve requirements for member banks they are supposed to prevent excessive use of credit. After all costs are deducted the Federal Reserve is supposed to return any profit to the U.S. Treasury, but this was repealed in the banking act of 1933. The assets of the Fed have increased by billions since then, a reputed $40 billion during World War II.

Who owns this money? Mostly bankers. The Federal Reserve Board of Governors is composed of seven men appointed by the President, with advise and consent of the Senate. The rest of the Board are from the 12 member banks. Each bank has a Board of Directors composed of nine members in three classes. Class A members are representatives of stockholding banks. B members must be active in the community in commerce, agriculture, or industry. C members may not be

Community Programming — CATV

by Bill Master

During the last ten years we have given much thought and discussion to the problems of communication between the various segments of society. Many solutions have been suggested by way of defining the problems. Such omnipotent problem/solutions as "generation gap", and "peace movements" have become hackneyed and lame.

We are now using simpler and shorter single work ideas hoping to come nearer some solutions. Awareness, envolvement and peace have now become a part of small talk encounters.

More and more we have turned to the various media to help us openly discuss the some times definable topics. And the media have turned their deaf ears to the community, and on occasion they think they hear what the community is saying.

Television, Radio, and newspapers give coverage but mostly as it applies to the regional or national picture. What people want to know is what kind of problems do we have within the blocks surrounding out homes. What are the forces that effect the neighborhood our children play in?

The terms awareness and envolvement are coming to the fore. Local awareness and local envolvement are what we need more of.

Local understanding should be the theme of the media that serve us, but that costs time and people which means money. So sharing the cost of gathering information has become the controller of the purse strings of the mass media. Thus very little local awareness and a minimum of local envolvement.

Since it's so difficult to change the established way, we should look to new and progressive tools.

The challange is on the horizon. Community Antenna Television. It is being used by the communities of America to keep up with local development. And as of a recent federal communications ruling, Jan 1, 1971 is the beginning of a new era of community study. Each CATV system serving a community of 3500 households must produce LOCAL programs.

These new outlets have no network or syndication demands on their time so they can provide programs designed to meet the special needs of local groups at a time the people are available to view them.

CATV stations are not so concerned with reacting everyone with each show they present. In fact they can cater to small interested segment of their local community. The programming is neighborhood in nature in that the needs of the people served are programmed.

Shows that are introspective in nature provide the backbone of the bill of fare.

Chamber of Commerce reports that explain the workings of the people who serve the community.

Social Security Reports by loca. officials which answer the problems of the people.

Interview Shows that feature the children of your town. Your children interviewed high lighting the activities and problems of children who attend the local schools.

Election Shows that make it possible to confront the voter with every politician and his views.

The CATV station becomes the eyes and ears of the community during prime time, which is the key to its' success.

Eyes and ears that visit the schools presenting school activities from Sports to Education. Television that presents a mirror to the community. Neighborhood events, Parades, Weddings, Study Groups, Talent Shows, Local News, Religious Shows, Craft Classes and instructional lessons from Tap Dancing to Weaving, and other in depth interviews and shows.

Sound like something you would like to become a part of? Many of you who read this will become part of a local CATV station and its' programming. That is if you take the time to inquire into the prospects of how you can use the local media to present your community to themselves. Find out how the problems of your neighborhood can be aired in your neighborhood. Enjoy the citizenship brought about by local envolvement in local activities. Share in the new found local awareness as local problems and solutions are exposed within their environment. Share the peace of mind with your neighbor as the eyes and ears of your CATV local television station does its thing. Which could be anything you ask of it.

Community Antenna Television, YOUR neighborhood Television station is designed to help you present yourself.

During the last few years, many CATV stations have proven the success of local programming. Advertisers have enjoyed measureable results by sponsoring local offerings. The results have been astounding.

Because of the availability of information concerning the demographics of the viewer (each viewer on cable T.V. can be personally reached) more specific communication can be created between supplier and buyer. The media has long dreamed of being able to define the audience. CATV has this built in, because it has paid subscribers.

Add this to programs of local concern and it's no wonder the CATV station has met with both community and sponsor approval.

Television as we know it has changed the life style of America. But you have yet to experience the whole effect of television. CATV represents the wave of the future.

Not just a few shots of local news, but a complete local news channel. Each channel will represent a complete concept or service.

For most of us it all begins Jan 1, 1971– for some of us it has already begun. In any case, the opportunity is there for all of us to take advantage of. CATV is your media – Neighborhood Television. END

ROMANTICISM NOT ENOUGH

"We find ourselves confronted by an emerging youth culture which is . . . a romantic effort passionately seeking a primitivization of our lives. We shall all rap with one another noncompetitively, feeding and clothing ourselves in mysterious ways not clearly revealed under rational analysis. If we are liberated from such concerns, we are told, they will all take care of themselves. Sadly, the problems of modern life do not respond to the simplistic romanticism of instant achievement. No degree of passionate conviction can resolve overpopulation, nationalism, race hatred, and wars of liberation. These problems require the best efforts of our best minds. They also require difficult and often taxing labor from the millions of people of good will who realize that a just and equitable society cannot be constructed by the mere willing of it, but only by the willingness to work for it, and even then only after delay and frustration as our ideals are laboriously pieced together."—Excerpt from speech by Chancellor William McGill of UC–San Diego in San Francisco on April 18, 1970.

What Has Happened To Your Purchasing Power?

By Michele H. Greenhill

If you have been to the grocery store lately you know that the sack of groceries which cost $2.50 in 1946 and $5.00 in 1960 is now costing you $10.00. This same inflation has happened to your clothing bill, to housing, and if you need to borrow money you know that interest rates are now at 10 to 14 percent. Some people are benefiting from this inflationary spiral, those with union contracts, in construction and manufacturing, banks, insurance companies and lenders of money.

What about the retired, the poor, the man with a marginal job trying to support a family? The small businessman is fast disappearing with the highest rate of bankruptcy in years, higher taxes, labor costs and higher prices on everything he buys and sells doing him in, and tight money makes it impossible for him to get credit to expand or modernize. Inflation has robbed you of two-thirds of the buying power of your dollar, which means that you not only pay more for those groceries but your insurance policy, your savings, everything you have, has lost two-thirds of its value.

What has caused this loss in the value of money? There is normally a growth of 4 percent in the supply of money each year. This, say the businessmen, is necessary to keep our expanding economy on the usual rapid rise. How the money is expanded and what it is based on makes the difference between real wealth and inflated currency.

Real wealth is not currency, it is the ability to create things which are needed by man. The United States is considered the wealthiest nation because of our high standard of living made possible by more goods produced at a cheaper price. If we consider the wealth of our nation as the stockpile of food, clothing and shelter we need to exist, then we can see how foolish it is for the government to attempt to cut down on inflation by cutting down on this stockpile of goods. If we consider that the stockpile grows as we modernize plants and increase efficiency, that unit costs are lowered thus making more goods available to you and me, how then can the government say our economy will be better off by making it difficult or impossible for plants to borrow money to build new plants, for construction to build new houses?

So where is the real problem. Government debts to fight wars are obligations which take a great deal of the income of this country. The U.S. Government issued $250 billion in bonds to pay for World War II. These bonds were then used by banks to create new bank credits. The Federal Reserve Bank issued 1,250 billion in bank credit on the basis of these bonds, which paid interest of 120 billion to date. This "created dollar" is actually created out of debt or obligation, not out of wealth. This has diluted the value of the dollar more than anything else we have done.

When you consider the war in Korea

Would you like to have some interesting facts revealed to you and the members of your local homeowners group? Watch the papers for land purchases in your County, find out how much was paid for the land, then go to the assessor's office and look up the assessment. In most counties, assessments are claimed to be 25% of the market value. If this procedure is unfamiliar to you, ask for help from the assessor's staff. That's what they're there for. To help find the selling price, ask for help in the recorder's office, they too are there to help. Compare the land assessments with the assessment on your house. You might even form a Committee.

How much must we take ???

by John Nagy, Editor

For seven years Statewide Homeowners Association has been researching local and state taxes from the homeowner's point of view.

During this period they studied the effects of many tax proposals and how they relate to overall taxes paid by homeowners and other classes of taxpayers, including slum owners and land speculators.

EQUALIZED ASSESSMENTS WOULD HELP

They have found that one area which would provide tax relief to homeowners, without any changes in the law, or increases in any other tax, is equitable assessments. That is, forcing assessors to assess other property the same as homes.

Assessors generally underassess vast amounts of speculative land holdings, including prime city lots and slum properties.

It is in this area that Homeowners have been very effectively pointing to underassessments with their assessment surveys in the various counties of Calif.

In the past three years the results of these surveys have been in the form of computer print-outs, The print-outs being in various sequences, one being the assessment percentage sequence, which very dramatically shows the low assessments first, which is primarily vacant land.

The surveys are of sales made during the previous lien date period, from March 1 to March 1 the following year. These sale prices are then compared to the assessments as indicated on the official roll dated July 1. The assessment is as of March 1. The four months delay is to allow the assessor ample time to properly adjust the assessments of even the very last sale prior to the lien date. Thus, the assessor has four months from the time of the last sale and one year and four months from the time of the first sale for the period.

PUBLIC INFORMATION??????

The information regarding assessments have always been public information, except the affidavits of businessmen regarding the cost of merchandise, sales and other detailed information about their businesses. This information is primarily relative to the unsecured roll and our surveys have been of the secured roll only, which relates to land and improvements in the most part.

We have, just as other people have been able to secure information from the Assessor's master property records regarding assessments and other information about the property.

While the survey print-outs and the calculations have been by the computer, the data fed into the computer has been

The Case for Taxing Location Values

A Memorandum for a Metropolis Considering Property Tax Reform

By P. I. PRENTICE

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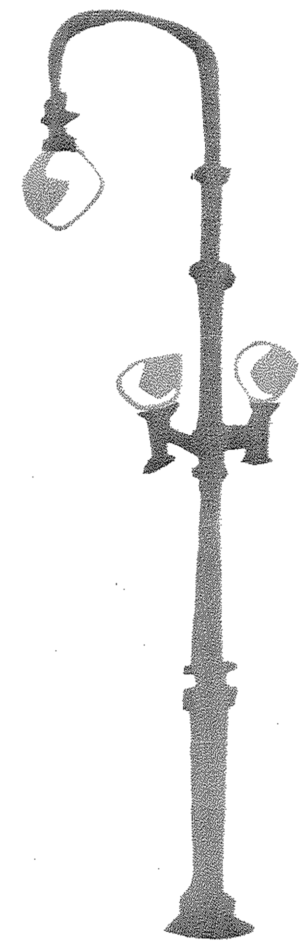


SAN FRANCISCO and the Bay Region in California are to be congratulated on several counts. On the imagination manifest in the Golden Gateway project, the first project anywhere to demonstrate that the best place for a row house is piggy back on top of a building that has already put the land to one good use. On the imagination manifest in the International Market Center, the first project anywhere to show that the ninth floor is a fine place for a public park. On Embarcadero Center, whose planning is ten times as forward-looking as the new extension to Rockefeller Center in New York. On the outstanding adventure in interracial cooperation at Hunters Point. On the progress towards creating the most magnificent downtown of any city in the world, with 45 acres of parks on the rooftops. On plans for saving the Bay and the waterfront and plans for regional recreation.

But most of all, I think congratulations are due this metropolis for having at long last recognized that there is something very wrong in its property tax and for having started to do some hard thinking about how to reform it. How rightly we think about property tax reform is mighty important to the future of our cities. For as Robert M. Hutchins, director of the Center for the Study of Democratic Institutions at Santa Barbara, says, the kind of property tax we are now suffering from "promotes almost every unsound public policy imaginable." It harnesses the profit motive backwards to urban deterioration and decay instead of forward to both urban renewal and suburban development. Too often it makes it more profitable to misuse and underuse land than to use it wisely and fully, more profitable to let buildings decay than to improve them. So, in too many cases, the landowner's profit, in Winston Churchill's words, is "in direct proportion to the disservice he has done the community."

I

THE PROPERTY TAX, wisely applied, could be the best and fairest of all taxes. But in practice today it may well be the very worst—a truly weird combination of overtaxation and undertaxation, an incentive tax for what you don't want and a disincentive or inhibiting tax for what you do want. It subsidizes and thereby speeds the spread of blight, slum formation, sprawl, land speculation, and premature subdivision by undertaxing the one form of property that in all fairness should be taxed much more heavily. It penalizes, discourages, and inhibits new construction, home improvements, urban rehabilitation, and orderly development by overtaxing these forms of property that should be taxed much more lightly if at all. It threatens to price good new homes and housing out of the market. It is a serious deterrent to bringing in new industry and new jobs, and it may well be the biggest reason so many industries are moving out of the central city to seek tax shelters in the countryside. In brief there is no health in it *as we now apply it.*

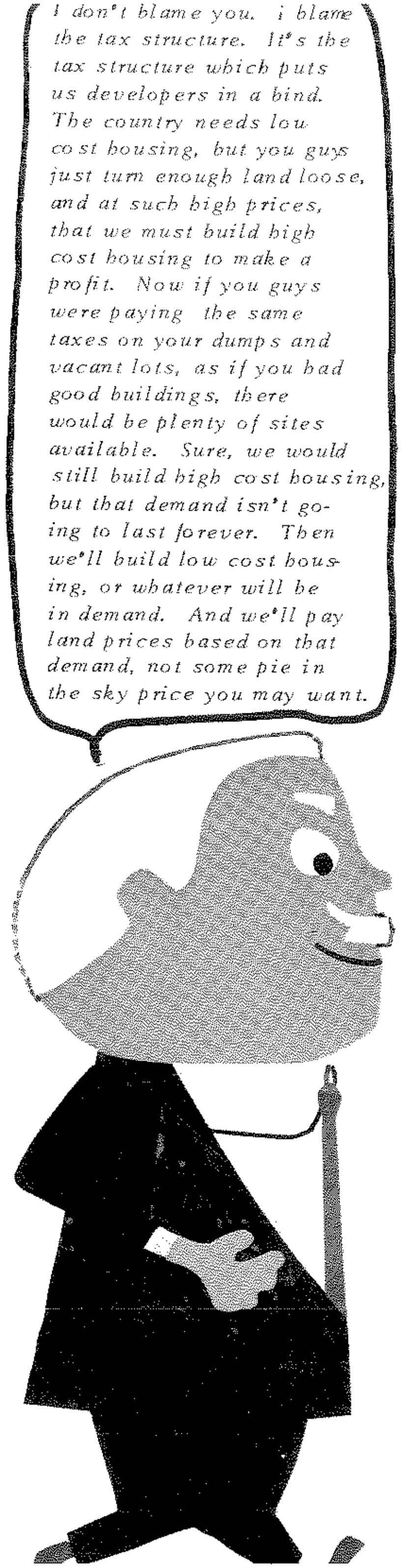
Property tax reform is important in all 50 states of the United States. But the property tax reforms some people are trying to promote look to me like a cure that could be worse than the disease; they could end up making the homeowners to whom they glibly promise tax relief pay more taxes instead of less. Right now I am afraid there is more confusion and more misunderstanding about the property tax than there has been about any other tax anywhere ever.

Part of this confusion has been deliberately created by the interests which have been making such a good thing out of what is wrong with our present property tax—the interests which have made hundreds of millions of dollars out of its faults and hope to make still more millions in the future. But most of the confusion probably stems from the simple fact that the property tax is not really just one tax. On the contrary, it combines and confuses two completely opposite and conflicting taxes. It would be hard to imagine two taxes whose incidence on the taxpayers and whose impact on urban development could be more different.

One of the two conflicting taxes confused in our property levy is the tax on the improvement—the tax on how much of their own money and effort the past or present owners of the property have spent to improve it.

The other of the two conflicting taxes confused in our property levy is the so-called land tax, which is really something of a misnomer. Because what we really mean by the land tax is the tax on the location value of the site *without the improvements*—the tax on what the site would be worth if the owners had done nothing and spent nothing to improve it. Sometimes assessors get confused and put into their land assessment some of the site improvements for which the property owners have spent their own money.

The improvement tax is the tax on what the owners have spent their own money to create. The unimproved land value tax is by definition a tax on what the site would be worth if the owner had never spent a penny to improve it. In other words, it is a tax whose net effect today is to recover for the community a small annual return (and under our present tax practice it is a very small return indeed) on what other people have done and spent to create the community around it that makes the



values:

If you want to get rid of slums, it is foolish to subsidize slums by assessing and taxing slum properties only half or a third as heavily as good housing with the same market value.

If you want to speed up the replacement of obsolete buildings such as now pre-empt so much of the downtown land in every city, it is foolish to keep them standing and profitable by taxing not only the aging buildings, but also the land under them, less and less as the buildings get older and more and more rundown. Tract-by-tract research conducted for the Urban Land Institute, with the cooperation of the Milwaukee tax commissioner, showed that it would be profitable for private enterprise, without any subsidy, to tear down and replace practically all the obsolete buildings downtown if the property tax were put all on the valuable land they cover, so the tax burden on the replacement would not be many times heavier than the tax burden on the relic. Says Professor Gaffney, who conducted the research: "Today's property-tax practice is slowing down the replacement of obsolete structures by 20 to 30 years."

If you want to check the land-price inflation that threatens to price good new homes out of the market, it is foolish to subsidize that inflation by assessing and taxing land lightly and then penalize the homebuyer who has just paid too much for his land by taxing him too much on his house.

If you want to minimize suburban sprawl and stop blighting the countryside with premature subdivision, it is foolish to assess and tax land so lightly that landowners will be under no tax pressure to release their land at a reasonable price when it is needed for orderly urban growth.

If you want to make low-density living possible closer to downtown, it is foolish to subsidize the waste of central-city land by undertaxation. The Urban Land Institute research referred to before showed that full utilization of the land close to the center would satisfy most of the demand that is now proliferating sprawl, thereby making land available for low density less than half as far out as now.

If you want to hold down the cost of municipal services, it is foolish to undertax underused urban land and so encourage sprawl, for almost all municipal costs—water supply, sewage disposal, garbage collection, streets, fire protection, police protection, as well as gas, electricity, telephone connections and other utilities—are multiplied by distance.

That consensus of such a distinguished group of urban experts is a landmark in scholarly awareness of one of the main bases of America's urban crisis. What it signifies in terms of practical policy has been stated succinctly by Dr. Robert M. Hutchins, one of whose insights impelled me to begin this paper.

After spelling out how today's misapplied property tax "promotes almost every unsound public policy imaginable, encouraging urban blight, suburban sprawl, and land speculation and thwarting urban rehabilitation, new construction, home improvement, and orderly development," Dr. Hutchins went on to conclude:

"The remedy is absurdly simple: Take the property tax off the improvements and put it on the land. The owner would then be taxed on what the community had done for him by making his land valuable. He would not be punished for what he had done for the community by putting his land to good use."

Time & Life Building
Rockefeller Center, New York 10020

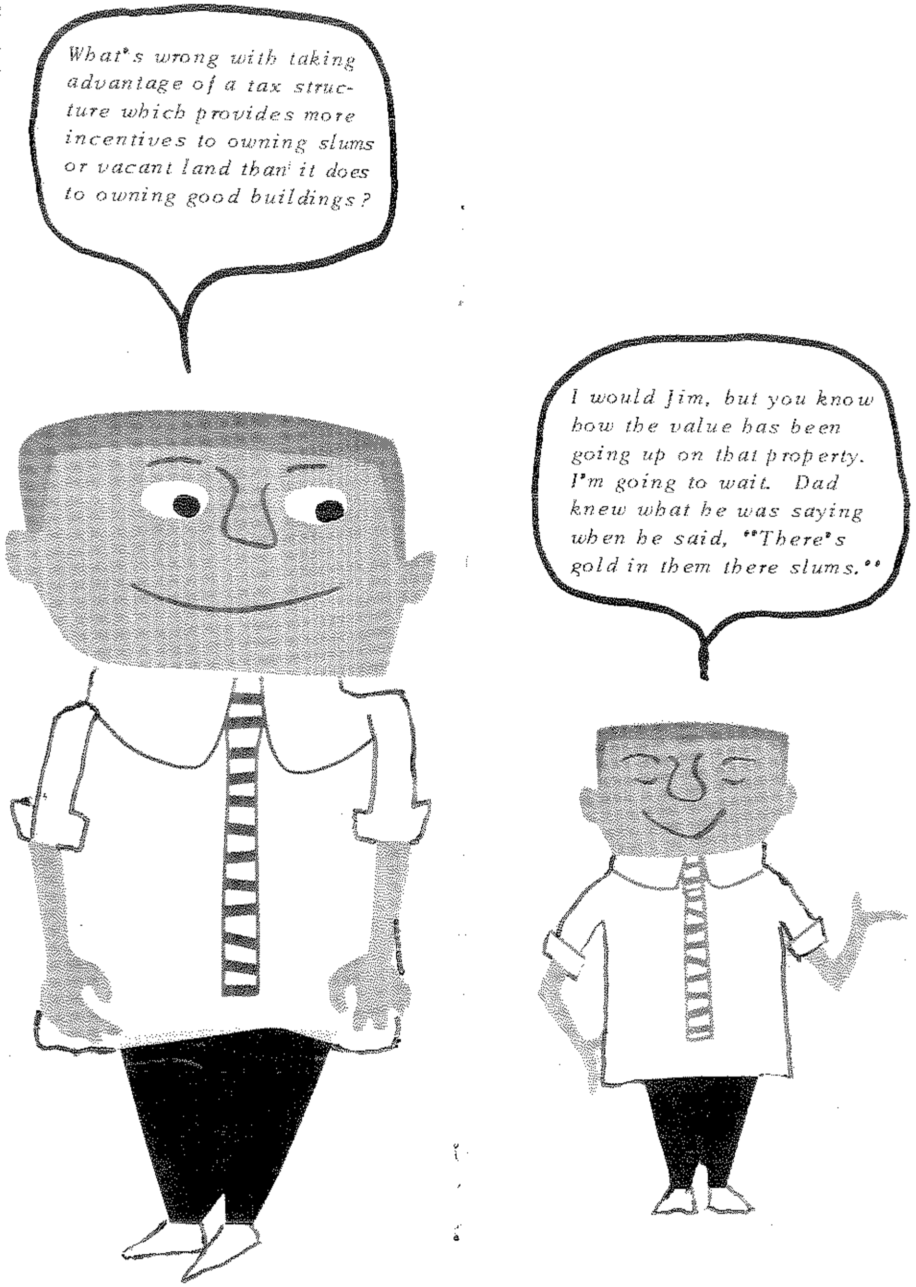
to start replanning and rebuilding in three dimensions instead of two and working out ways to make high-density living pleasanter tomorrow than low-density living is today. We cannot expect all these people to drive three times as far to find outdoor recreation. Despite high-density we will have to start planning a lot more outdoor play and a lot more outdoor living right into the city, much of it on our rooftops.

Two things we know for sure about tomorrow's San Francisco and tomorrow's Bay Region: 1) it will have to be as different from today's city as today's San Francisco is different from the horse-and-buggy San Francisco destroyed by the fire; and 2) a conservative estimate of how much public and private investment will be needed in that city is way over $100 billion! If we want a preview of the problems we will face if we move forward into this $100-plus billion development program without first taking steps to get back through high land taxes a big part of the $30-billion-plus windfall this $100 billion development will dump in the landowners' laps, we can take a look at the trouble Philadelphia is in right now.

Philadelphia has obtained more federal urban renewal subsidies than any other city except New Haven and perhaps Boston. But despite all those federal subsidies—or perhaps more correctly, *because* of all those federal subsidies—the regional urban renewal director has declared that "the situation is desperate" and the local federal renewal director has announced that Philadelphia will need a subsidy of $225 million to carry out the same program that was budgeted just a year before at $135 million because, said he euphemistically, "urban renewal has been so successful in Philadelphia that we're having to pay much higher prices for the land we have to buy. In other words, last year's renewal subsidies get capitalized into the price of this year's renewal land. *The more we spend for renewal the more the next step in renewal will cost.*

Other students of America's urban crisis give us the same advice. Consider the consensus of a panel of 33 urban experts described by Mayor Lindsay of New York as "The Who's Who of Urban Development." This panel included the president of the American Institute of Planners, the president of the American Institute of Architects, the president and the executive director of the National League of Cities, three mayors chosen as best qualified to speak for City Hall, the Federal Urban Renewal Commissioner, the public affairs director of the Ford Foundation, the chairman of the Federal Advisory Commission on Intergovernmental Relations, the research director of the United States Chamber of Commerce, the chairman of the Realtors Build America Better Committee, the president of the National Association of Homebuilders, the chairman of the National Housing Center and such outstanding California urban experts as the city planner, Victor Gruen, the landscape architect, Lawrence Halprin, and the director of the University of California's Institute of Urban and Regional Development, William L. C. Wheaton.

Here is what these experts had to say about the need of reducing the taxation of improvements and increasing the taxation of unimproved land



location desirable and a small annual return on what other people—mostly other taxpayers—have had to spend to make the location accessible and pleasantly livable.

II

I AM BEGINNING to suspect that much of the trouble we face on the question of land value taxation stems from confusion about what we mean when we say land and what we mean when we say improvement.

In an effort to lessen this confusion in my own writing, I decided two years ago to stop using the phrase land value taxation and to use instead the phrase "location value taxation." Because in most instances the value of the location is almost independent of anything the past or present owners have done to improve the location. But this is not true of the value of the land itself.

For example and specifically, forty years ago I was assessed more than $3,500 for paving the street frontage of the corner lot on which my house was located and for installing the sidewalk. This was indeed an improvement to my property, in exactly the same sense that the house itself was an improvement. But it was attributed to the land on the village assessment records.

The real question is not whether the improvement is an improvement to the land itself or an improvement erected on top of the land. The real question is who paid for the improvement.

Once this differentiation is accepted, it seems to me the case becomes much stronger for very heavy taxation of location values to which the landowner has made only a minimum dollar contribution.

In New York the Regional Plan Association says it will cost the general taxpayer an average of $16,850 to pay the capital cost of the infrastructure of new roads, new transit facilities, new water supplies, new sewage systems and sewage disposal systems, new schools, new police and fire protection facilities, etc. that will be needed to enable one more family to make its home in the New York area. Change that word "family" to read "lot" and you come to the almost shocking statement that it will cost other taxpayers an average of $16,850 to enable a landowner to get, say, $8,000 for the land on which that family will live.

Because underused land is taxed so lightly the landowner will make only a minimum contribution to that $16,850.

Take another example: other taxpayers (mostly motorists) are committed to paying $350 million for the Verrazano-Narrows Bridge to Staten Island. Immediate beneficiaries of this $350 million expenditure are the present landowners of Staten Island who are not likely to put up more than 1 per cent of the $350 million. They derive a windfall profit of at least twice $350 million.

III

NOT ALL the unearned increment to location value is paid for by the taxpayers. For example, in Philadelphia the millions of private capital poured into Penn Center enabled the owner of a run-down property across Market Street to sell for $700,000 a holding he would otherwise have been lucky to dispose of for $200,000. In New York the enormous investment of private capital for the new buildings on Sixth Avenue (Avenue of the Americas) enabled the owners of the shabby half block on Sixth Avenue between 49th and 50th Streets to sell for $30 million in 1968 a holding that could not have been worth more than $10 million in 1958.

Today it is the practice nearly everywhere to put most of the property tax on the improvement, *i.e.,* to put most of the tax on what the owner has spent his own money to build or otherwise create. This tax runs roughly twice as much as the tax we collect on the location value on which the property owner is getting almost a free ride on other people's investment!

These two taxes—the improvement tax on what the owner has done and spent to improve the property, and the location tax, the tax on what other people have done and spent to make his location more desirable and more valuable—have such different economic and social consequences that perhaps we should take a minute to consider these different impacts separately.

First, the tax on what the owner has spent:

1. It is good for the community to have property owners invest money to improve their property. It is good for the community to have families build better homes and keep improving their homes instead of letting them run down and decay. It is good for the community to have merchants build better stores, good for the community to have the owners of aging and obsolete buildings replace them with new buildings, good for the community to attract new industry to build new plants to create new jobs.

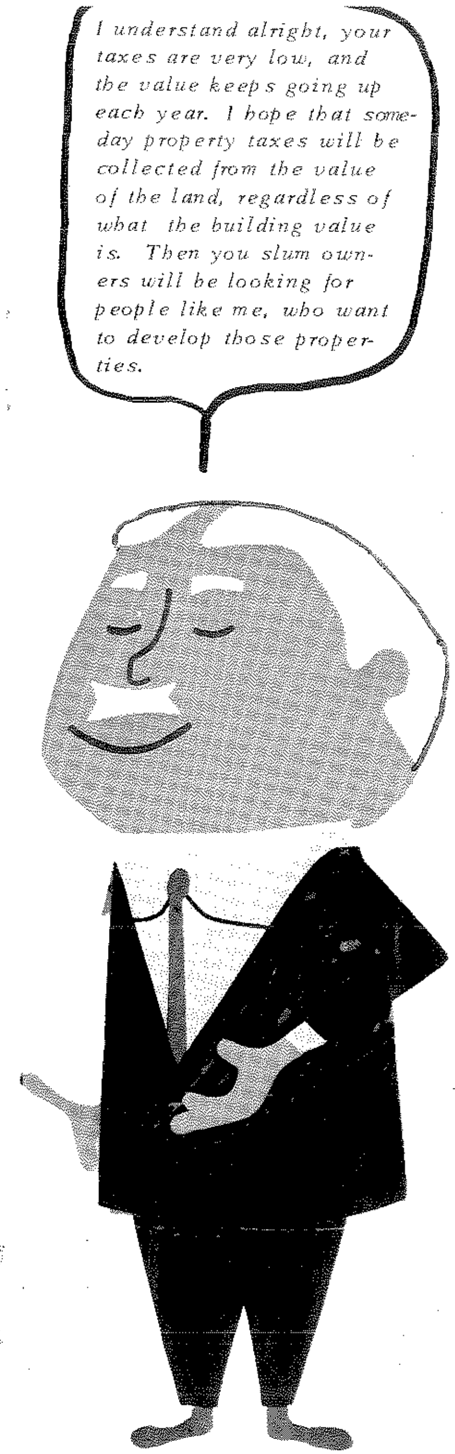
2. Levying a heavy tax on improvements in no way encourages property owners to spend their money for these highly desirable improvements. On the contrary, a heavy tax on improvements can be a serious deterrent and make the property owner think twice before he invests his money that way. Moreover the heavier the tax on improvements the bigger the deterrent.

But the fact is that all over the country we tax improvements more heavily than any other product of American industry except hard liquor, cigarettes, and perhaps gasoline. The only possible explanation of this is that almost everybody fails to realize how heavy the improvement tax really is because it is collected on the installment plan.

It is such a serious deterrent that whenever the government is particularly anxious to get private enterprise to build some favored project it offers the builder tax exemption on the new construction. But that just makes the over-all problem worse by increasing the improvement tax load everywhere else, thereby discouraging all other improvements. What we need is citywide exemption for the improvements the owner pays for himself. Individual owners should all be taxed much less *if at all* on their houses, their stores, their factories, and *all* the other improvements they have directly paid for.

IV

From what source will we get the tax revenues our cities need? From much *heavier* taxes on the community-created and community-paid-for



leased out of the public domain—and in some cases 22,500 times!

The under-assessment of vacant and underused land is a national scandal from coast to coast. Too many assessors confuse the property tax with the income tax, so as long as the land is kept underused to produce little or no income they reward the owners with a low tax bill based on assessing the land at a fraction of its market value. On Long Island, for example, land assessed at $500 an acre is listed for sale at $20,000.

But proper assessment of valuable unused land is not all that is needed. If the discouragingly high tax rate on improvements is to be lowered the tax rate on unimproved land will also need to be at least doubled and probably tripled. Nothing less than that will put enough pressure on the owners of unused, underused, and misused land to let it be put to fuller and better use instead of holding it off the market as a speculation.

Reason No. 6 is the How-to-develop-better-cities reason. We cannot possibly afford to do more than a patchwork job of urban renewal and urban modernization unless we tax urban land more heavily. Specifically, unless we tax the location value of underused, and misused *urban* land *much* more heavily.

Too few people seem to understand that every public or private improvement on one piece of land gets capitalized into the price of the adjoining land. So the more public and private money we spend to renew one blighted block the more we will have to pay to renew the next one.

Consider the giveaway of tax revenues in San Francisco. Landowners there have capitalized the big public and private investment in the Golden Gateway Renewal Project into a five-fold increase in the price of their property. In like manner the land cost for Western Addition No. 2 was tripled by the success of Western Addition No. 1. This suggests that under today's land tax system our future renewal ventures will have to be far enough away from any of our other big renewal projects so that the subsidy for the new project will not have to be tripled as it was for Western Addition No. 2 in order to pay off the subsidy for the first project all over again because the first subsidy has been capitalized into the land price for the second project!

V

If our cities needed nothing more in the way of urban renewal and urban development than just cleaning up a few scattered patches, local un-slumming like the un-slumming around the Golden Gateway and the un-slumming around the Western Addition No. 1, might be all very well.

But alas, the rebuilding challenge we face is not patching here and there. It is such an enormous challenge that despite all the forward-looking plans we are now making and executing I can't help wondering how many of us have faced up to its full magnitude.

By 1999 San Francisco will be the metropolis for three times as many families, each with at least twice as much money to spend to live at least twice as well. We cannot house three times as many people by sprawling three times as far out into the farmlands. Long before 1999 we will have of orderly development, leaving most of the other 185 for prunes and apricots for years to come.

The land price inflation in the suburbs hits and hurts homebuilders and land developers hardest of all. The landowner takes his profit out first. The homebuilders' No. 1 elder statesman, Tom Coogan, is guilty of only a slight exaggeration when he says: "There is very little profit in homebuilding; all the profit is in the land."

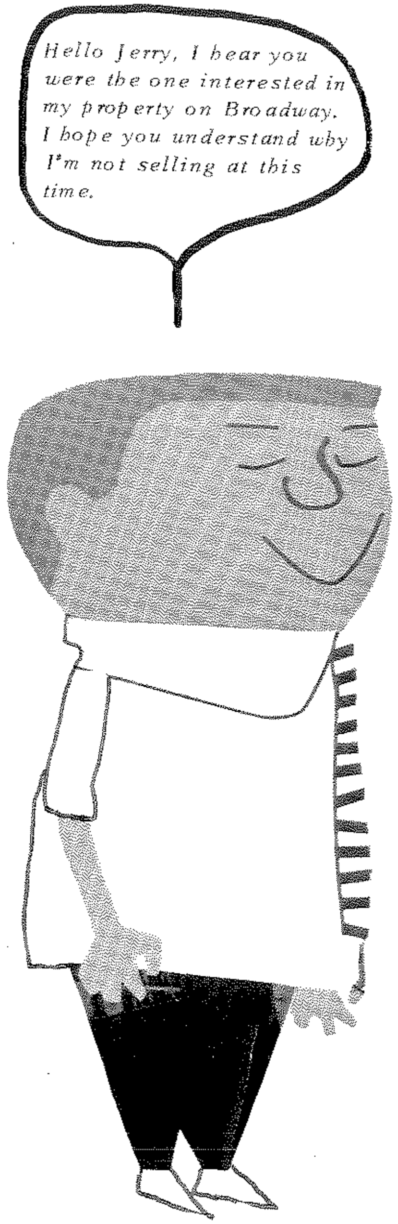
Reason No. 4 for taxing land more heavily is the architects' reason. Most new buildings could be a lot better—a lot better planned, a lot better designed, and a lot better built—if the undertaxation of land had not made it easy for the landowner to take such a big profit out first. The landowner's profit is so big that it is usually figured to allow the actual builder only just enough profit to let him make out if he keeps his costs under tight *control.* For example, consider the reasons why Rockefeller Center in New York—so long considered "an outstanding example of the kind of amenity planning that enriches a city and insures its future" is now in serious trouble with the New York Planning Commission over what the *New York Times* calls "the catastrophic, neolithic, delinquent, and public-be-damned non-planning" for its next extension.

The *Times* finds it impossible to explain that Rockefeller Center is now unwilling to spend the few extra millions needed to make the extension "spectacularly good" instead of "delinquent." I would suggest that at least one explanation is pretty obvious: The owners of the three blighted and undertaxed blockfronts the extension will cover got in there first and took out $90 million for just letting Rockefeller Center improve their land. No wonder, after paying out that $90 million, Rockefeller Center is making a poor mouth about whether it can now afford to plan and build well.

Reason No. 5 is the regional planners' reason. Our regional planning money would go a lot further if idle land were taxed heavily enough to make the owners as willing to sell as we are willing to buy to carry out our plans.

Californians talk of spending over a billion dollars for regional parks and other recreational facilities in Northern California. But what does this mean? In San Luis Obispo County the state had to pay $2,600,000 for an undertaxed park site assessed at $118,500. In Sonoma County the state had to pay $2,193,000 for an undertaxed park site assessed at $32,340. How far will that billion go when the very sum itself inflates land prices?

San Francisco's plans for protecting the Bay waterfront and putting it to good use are impressive. I am intrigued to read that the city's officials have thought up five schemes for getting the state to put up the money, six plans for getting the Federal Government to put up the money, plus a hopeful idea for getting some foundation to buy it. And as a last resort they may have to sell bonds to buy back these never-used or underused (and therefore undertaxed) waterfront lands. But the waterfront purchase money, however raised, would go a lot further if these never-used and underused lands were not so lightly taxed that their owners can now hold out for at least 150 times the price at which their land was originally re-



location value of land. In fact, many of us stand to gain as much or more from multiplying—and I mean multiplying—the tax on unimproved land values as we stand to save from completely abolishing the tax on our improvements.

Consider just six of many reasons.

Reason No. 1 is the personal reason. Most of us find ourselves paying more taxes instead of less when the improvement tax is minimized without at the same time maximizing the land tax. Increasing the land tax makes the owners of unused and underused land pick up a bigger and fairer share of the total tax load. Every local government in California and other states depend on the property levy for most of its tax income. So if we don't offset untaxing improvements by uptaxing land every local government would have to either go broke, or impose a lot of new local taxes that would almost certainly hit the average family and the average business harder. Or it would have to get bailed out by the state, in which case, says the executive vice president of the California Taxpayers Association, the state would have to double its sales taxes or triple its state income tax just to make up for even a 50 per cent cut in the property tax take. Both these increases would hit the average family and the average business harder. Or it would have to get bailed out by the Federal Government, which is already spending so much more money than it is collecting in taxes that inflation is getting way out of hand, the dollar may have to be devalued, mortgage interest is soaring towards 8 and 9 per cent, and nobody knows what next.

All of these alternatives would be bad. All four of them are next to impossible, so it would be just plain nonsense to support a proposition that along with reducing the improvement tax by 75 per cent, which is a good idea, we should also reduce the land tax by 75 per cent instead of making it that much heavier, at the very least.

Reason No. 2 is the scandalous reason. We cannot afford to go on year after year taxing ourselves and bonding ourselves to *subsidize* the land speculation and the land price inflation that is now the worst part of today's over-all inflation, with land prices soaring 15 per cent a year compounded, four or five times as fast as everything else.

This is the subsidy nobody seems to know about. It's a hidden subsidy, so well hidden that it never even gets on the government's books. It's so well hidden that the beneficiaries are never named, so well hidden that they never get a government check for their subsidy payment. It's a secret subsidy worked, not by sending subsidy checks to the beneficiaries, but by tax treatment so extremely favorable that (in *Fortune's* words) "It almost completely exempts land speculation from the ordinary working of the law of supply and demand." It is worked by taxing the owners of unused and underused land so lightly that they pay only a trifling share—perhaps 2 per cent or 3 per cent—of the truly enormous cost other taxpayers must absorb to pay for the public improvements that multiply the value and the selling price of their underused land.

Unless I am very much mistaken this hidden subsidy—this subsidy of

(continued on page 16)

In California, as is the case in other states, assessors have tremendous power in determining the amount of taxes paid by homeowners. If he is doing a good job of assessing, he will have very little influence. But, if he slants his assessments to favor certain properties, he can cause much more taxes to be paid by those taxpayers not being favored.

How Much More Taxes Do Homeowners Pay?

by John Nagy

From time to time, usually during election campaigns you hear assessors say they do not have control over the taxes you pay, and all they do is assess the property at its ratio to market value.

Generally that is a correct statement, but not entirely correct if the assessor does not assess all property equitably.

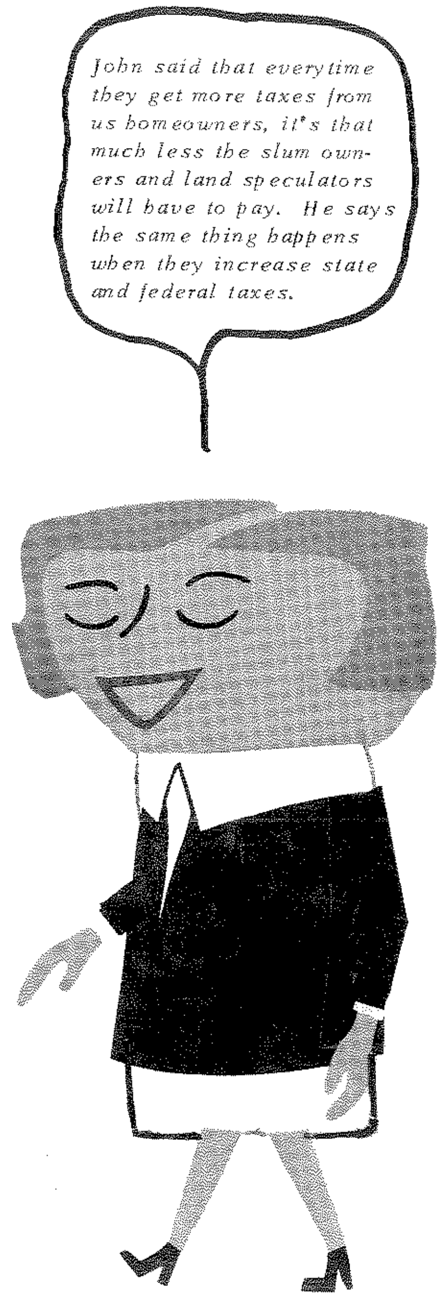
MICHIGAN EXAMPLE

In the September, 1968 issue of California Homeowner there was an article by Assessor Ted Gwartney of Southfield, Michigan titled Creative Taxation.

The article told the story of how the assessor by assessing vacant land on the same basis that homes were assessed, caused tremendous increases in taxes on land held for speculation, which in turn caused homeowners to pay less taxes.

With such assessing practices much more happened than just lowering homeowners taxes, including:

1. Caused 10% more office space to be built in Southfield than in the neighboring city of Detroit which is the 5th largest city in the world.
2. Has a tax rate which is the lowest of any major city in Michigan and only 1/3 of Detroit's rate.
3. Has attracted headquarters for national leaders in business and industry.
4. Had a 1.0 equalization factor for three years in a row, indicating no change was needed to equalize the assessment roll.
5. No municipal income tax has been adopted while other cities in Michigan have.
6. Developers and builders have never had it so good.
7. Land speculators have never had it so bad, which is what has made it so good for everybody else.
8. Received nationwide recognition as an outstanding example of how an assessor with the backing of his superior (Mayor) can change the whole economic picture



There is just one cause and just one explanation for sprawl. Unused and underused land on the outskirts of our growing cities is so undertaxed that its owners are under no tax pressure to let their land be put to a better use when it is needed for orderly urban development. Land is so undertaxed that the owners of underused land can afford to sit tight waiting for their land to "ripen," which is the euphemistic way of saying they can afford to sit tight until a huge investment of other peoples' money to develop the land around them has multiplied the market value of their land by five, or ten, or twenty times. That is what Winston Churchill meant when he said the landowner's profit is often in direct proportion to the disservice he had done the community by holding his land off the market when it was needed for orderly development. Land is so lightly taxed that home-builders are forced to leapfrog further and further out into the countryside to find land they can afford to build houses on and manufacturers are forced to leapfrog further and further out into the countryside to find enough land on which they can afford to build new plants.

All this sprawl and leapfrogging is very wasteful. It is very, very costly to everyone except the landowners it makes rich. Specifically:

1. Sprawl multiplies the cost of almost every municipal service. It multiplies the cost for roads to reach the sprawl-scattered homes, multiplies the cost of water distribution, multiplies the cost of sewage collection, multiplies the cost of mass transportation facilities, inflates the cost of police and fire protection, doubles the cost of getting children to and from school.

2. Sprawl multiplies the waste of time and money getting to and from places to work and multiplies the waste of time and money getting to and from places to play. City people must waste countless hours getting out of the city for outdoor recreation. Suburban people must waste countless hours driving past by-passed miles of vacant land on their way to town. A University of Pennsylvania study found that millions of men and women now spend more money driving to and from work than they spend for the homes they own. Research at Stanford found that millions of men and women must now spend a third as much time getting to and from work as they spend working.

3. Sprawl multiplies the job-finding problems of the poor and under-qualified by shifting too many of the jobs they could fill and hold too far from the slums where poverty makes them live. For example, sprawl was found guilty of being a major cause for the nearly 30 per cent unemployment in Watts. The jobs the poor in Watts could fill have moved miles and hours away—often three bus rides away at $2 a day bus fare!

4. Sprawl is blighting mile after mile of fine farming country. In Santa Clara county, for example, leapfrogging builders have had to scatter their little tracts one-or-more-to-the-mile over 200 square miles of the finest prune and apricot land in America. The fruit growers are so busy wondering whether to sell and how to sell that they are not replacing their aging trees when replacement is due. All these builders' tracts that are now scattered over 200 miles could have fitted comfortably into 15 square miles