

California HOMEOWNER

June, 1972

Twenty-five cents

Will Billions Buy Earthquake-Proof Schools?

Is it really necessary to raze all the old schools?

Story starts on page 3



Joseph Gimbrone, Attorney

6923

HAS THE LEGISLATURE GOT US

OVER A BARREL?

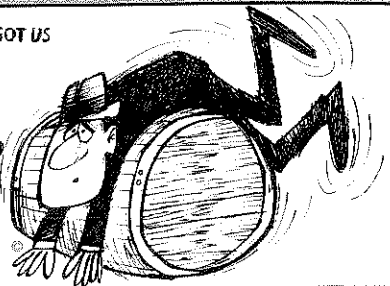


Table of Contents

Will Billions Buy Earthquake-Proof Schools?	Page 3
School Bond Campaigns... Fact or Fiction?	Page 9
More Property Tax Relief ??	Page 12
Constitutional Revision (Vote NO on Proposition 10)	Page 14
Taking Back the PURSE STRINGS	Page 18
Urban SPRAWL Enhanced	Back Cover

Statewide Homeowners Association
953 Eighth Ave., Room 212
San Diego, California 92101
Address correction requested

SILENCE TV COMMERCIALS
"Do-it-yourself" instructions 25c
Complete kit--\$2.00. THE SILENCER,
P.O. Box 106, Berkeley, CA 94701

LIBRARY H GEO SCHOOL
50 E 69TH ST
NEW YORK, NY 10021

DO TAX BREAKS TO FARMERS HELP ????
YES, BUT NOT THE LITTLE GUY.....

BULK RATE
U.S. POSTAGE
PAID
Encinitas, CA
Permit No. 82

"WILL" FORMS
FOUR "WILL" Forms & 64 page
book on WILLS. Written by Col-
tonia Atty. Cyrus A. Davis.
Complete \$2. Guaranteed.
NATIONAL FORMS
Box 48313-CH, Los Angeles, CA
90048

CLASSIFIED ADVERTISEMENTS ac-
cepted subject to approval of busi-
ness manager. Rate for single inser-
tion \$3.00, at \$1.00 per line, 3 lines
minimum (about 20 words). For 30
lines used in 12 months, \$6 per line.
Special educational rates on request.
Full payment with order required if
credit has not been established. We
forward mail received in answer to
box numbers. CLASSIFIED DEPT.,
California Homeowner, 953 Eighth
Ave., Room 212, San Diego, Calif.
92101.

Urban SPRAWL Enhanced

by Polly Roberts

Conservationists, battling that asphalt
known as urban sprawl, have allied them-
selves with those sprawled upon; farmers.
New housing developments, the farmers com-
plain, unfairly drive their taxes sky high,
forcing them to sell out. Since developers
prefer nice flat land -- just the best land for
agriculture -- they will pave over the coun-
ty's food supply. And, of course, the length-
ening tentacles of ticky tacky engulf precious
open space.

So conservationists have swallowed the
farmers' panacea: lower taxes for farmers.
Tax breaks, say the farmers, will let them
go on farming the old homestead, preserving
prime agricultural land and public open
space. Maryland saw the light in 1956;
since then 27 states have enacted laws giv-
ing tax relief to farmland, while at least
four more have considered and so far re-
jected them.

Well, better luck next time. Farmland tax
breaks in the name of conservation don't con-
serve anything -- except speculators' profits
at public expense. Meanwhile, the heavier
tax load inspires non-farm taxpayers to heap
imprecations on the name of conservation.
If high taxes caused sprawl, there wouldn't
be sprawl without high taxes, but of course
there is. In fact, the public feeds the urban
amoeba a stupendous subsidy. Conservation-
ists cannot hope to save much open space
until they put the amoeba on a diet.

Dr. Thomas Hady of the U.S. Department of
Agriculture's Economic Research Service
divides farmland tax relief laws of the var-
ious states into three rough categories:
"preferential assessment" (11 states) for
farmland, that is, pure tax relief with no
strings attached; "deferred taxation" (11
states) under which part or most of back
taxes come due when the land is developed;

(continued on page 22)

CALIFORNIA HOMEOWNER MAGAZINE

Volume 11

No. 2

June, 1972

Editorial Board

Jack E. Addington

Lloyd W. Maxwell

Editor

John Nagy

Santa Clara County Representative

Daniel McCorquodale

Los Angeles County Representative

Wilber E. Pereira

Marin County Representative

William J. Filante, M.D.

Orange County Representative

Donald Kucera

San Diego County Representative

Frank Hughes

Sacramento County Representative

Mal Morey

California Homeowner Magazine is published by Statewide Homeowners Assn.

Mailed Quarterly

Table of Contents

Will Billions Buy Earthquake-Proof Schools by Joseph Gimbrone	3
School Bond Campaigns... Fact or Fiction by Lou Conde	9
More Property Tax Relief ?? by Frank Hughes	12
Constitutional Revision by Marilyn Stout	14
Taking Back the PURSE STRINGS by John Nagy	18
Urban SPRAWL Enhanced by Polly Roberts	Back Cover

Statewide Homeowners is an educational and research organization. It is supported by contributions from individuals and organizations who believe in the work we are doing.

More funds are needed to enlarge the scope of CALIFORNIA HOMEOWNER Magazine and to continue property assessment surveys in California.

Contributions should be mailed to the address below.

Business and Editorial Office

953 8th Avenue, Room 212

San Diego, California 92101

(714) 233-6977

Consent to republish any article, with credit, is hereby given.

Planning Commission estimates that there are some 60,000 acres of vacant land within the already urbanized parts of the Sacramento region, land which "sits idle, awaiting the developer's bulldozer". Their Report estimates that at just the current density, these vacant lands could hold at least 400,000 people, or approximately 70% of the additional population projected for the region by 1990.

The costs of sprawl are largely the costs of inefficient transportation and communication arising from low density. The longer the wires, pipes, and roads, the higher the cost of utilities, mail, garbage, fire, police, etc. In particular, low density forces heavy reliance on cars, trapping the poor and the elderly far from jobs, stores, and hospitals, and afflicting the public with noise and smog. The streets and highways in turn deprive local governments of valuable property tax revenue, cut up to wipe out neighborhoods, and engender the ugliness and traffic hazards of strip development. Nor does the vacant land, from the black top parking lots of the inner city to the weed-grown trash-blown "industrial parks" of suburbia even provide recreational land in recompense.

SUBSIDIES TO SPRAWL

What causes sprawl? Urbanologists have tended to regard the asphalt amoeba as spontaneously generated in the absence of planning, and to recommend more and better planning as a disinfectant. In fact, however, federal, state and local taxpayers subsidize sprawl at truly massive levels, while at the same time imposing severe financial penalties on economically and environmentally sound development. This rigged economic system makes traditional planning futile. There are three basic kinds of subsidy to sprawl: tax subsidy, service subsidy, and financing subsidy.

TAX SUBSIDY

A number of tax policies make it profitable for speculators to hold land that should be

developed, forcing developers to "leap-frog" over them to cheaper land farther from town. Essentially, these tax loop-holes allow the landowner to keep his valuable site undeveloped until other peoples' improvements, or public works on nearby land, have driven the price sufficiently high for his liking. In this fashion, the speculator gets something for nothing, a windfall for playing dog-in-the-manger with land that others could have used to good advantage. The fact that the landowner, like a farmer, may not consciously consider himself a speculator makes no difference. Government and utilities need the power of condemnation lest speculators' extortion bring their operations to a halt.

The list of land income tax shelters runs into the dozens. Of these, the Federal capital gains tax is most familiar. Compare an investment in land with an investment in a savings account for an individual or corporation in a high tax bracket, say 50%. The interest from the bank account is taxed at 50% annually, while the increased value of the land will be taxed at the capital gains rate of 25% and only when the land is sold. If the land appreciates only as fast as money in a bank, the land investor has reduced his tax from 50% to below 25% because he has gotten compound interest on taxes not paid. And until he actually sells the land, he pays no income tax at all, although he can borrow against the land's appreciated value - and even deduct the interest payments! Another very important tax loophole permits "farmers" to deduct against ordinary income their improvements to land, such as planting an orchard or building up a herd of cattle. Such deductions allow corporations and persons in high tax brackets to operate orchards or breeding herds at an economic loss while making a handsome profit on saved taxes. By this loophole, millionaire Governor Ronald Reagan avoided California income taxes in 1968 and 1970. In turn, all the rich tax dodgers buying land inflate its value faster and higher, even remote from cities, making land an even more attractive investment.

(to be continued)

county which establishes the salary payable to its members shall become operative unless such increase has been approved by a majority of the voters of the city, county, or city and county voting on the question at a general election.

(c) On the effective date of this measure, the annual compensation for any office subject to subdivision (a) or (b) of this section shall be reduced by 25 percent of any increase in the rate of annual compensation for such office between December 31, 1970, and the effective date of this measure.

(d) If any provision of the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application and to this end the provisions of this section are severable.

Sponsored by Purse Strings, 413 Forum Building, Sacramento, California 95814.

Circulators report that 90% of the registered voters approached will sign the petitions to put PURSE STRINGS on the ballot.

But, except for Assemblyman Floyd Wakefield (original sponsor of the Salary Initiative) no incumbent has been heard to express himself publicly on PURSE STRINGS.

FUNDS ARE NEEDED

With the incumbents silent, their opposition has not always been encouraged to speak up. It has been reported that, in one case, the candidate was told by his party to look elsewhere for campaign funds if he supported the PURSE STRINGS AMENDMENT.

PURSE STRINGS supporters, seeking funds from larger taxpayers and groups who should benefit by adoption of the amendment get this answer: "We would like to see it on the ballot but cannot help because we have to appear before committees of the legislature, the

County Supervisors or City Councils.

Fortunately, PURSE STRINGS can be qualified for the ballot by obtaining 520,806 valid signatures statewide. The record of successful initiatives shows that this requires about \$275,000, about 3¢ per registered voter.

If every reader of this article would send at least one dollar immediately to: PURSE STRINGS, 413 Forum Building, Sacramento 95814; we can qualify. This would give us enough to raise the rest.

TIME IS OF THE ESSENCE

The PURSE STRINGS AMENDMENT was filed by Walter C. Frame, Chairman, Purse Strings Committee. If the needed signatures are filed on June 9, it will make the General Election Ballot in November. Otherwise it can qualify for the next General Election.

Since the vast majority of voters favor PURSE STRINGS, it can be made a campaign issue. All candidates should be asked to make their position clear on at least these two points:

1. Should the voters have the constitutional right to vote on raises given elected officials?

2. Should the PURSE STRINGS AMENDMENT, which restores the constitutional right of the people, be submitted to the voters by placing it on the ballot?

Privately, some candidates have said "If they did, the voters would never give me another raise!"

Perhaps we should show our elected officials who's working for who.

The PURSE STRINGS AMENDMENT puts the check reins back in the hands of the taxpayer. Every voter has a direct interest in putting it to a vote on the ballot.

Your help is needed.....NOW!

to standards above those of the Field Act; was thoroughly inspected, and never before subjected to earth shock.

The most important factors determining the probability and severity of quake damage are:

1. Proximity to the epicenter
2. Relative location of earth faults
3. Character of support soil

Generally damage decreases rapidly with distance from the epicenter. Location on an active fault line involved in the quake greatly amplifies the effect by actual relative displacement of foundation and load-bearing columns. Location on dry, hard, compact soil lessens the effect of earth shock.

SITE MOST IMPORTANT FACTOR

But not until the February 9, 1971, Sylmar, California earthquake, did Title 21 require any extensive site qualifications! A Television Special, "The City that Waits to Die", shown on Channel 10, San Diego, California, on May 3, 1972 graphically illustrated the problem and the cavalier manner in which it was handled in San Francisco, California. The film coverage of the damage of the Caracas, Venezuela quake to earthquake resistant buildings and the Japanese buildings in recent quakes, stress the lesson that choosing a relatively safe building site is the most important safety factor.

The audience was treated to views of tall earthquake-resistant buildings whose floors broke loose from support walls setting down one upon the next like a stack of pancakes, buildings that turned over on their sides so that the occupants on return to their homes after the quake could push wheelbarrows up the walls to retrieve their belongings. The film was rich with technical description of what had happened in areas of soft fill with high water tables or high saturation. A simu-

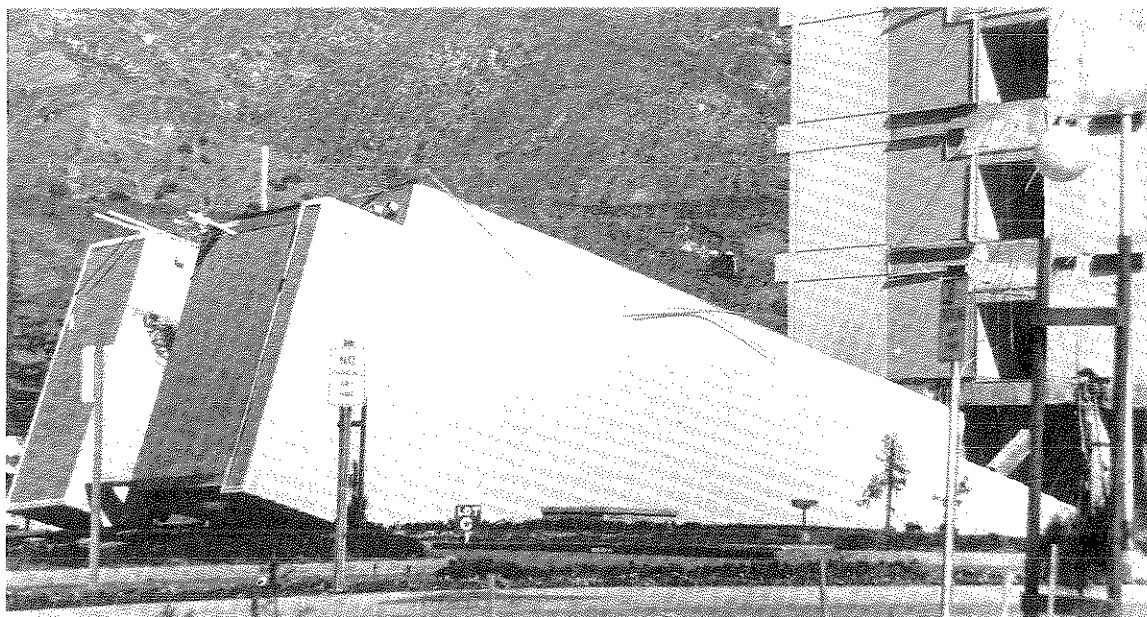
lation of liquifaction was shown. A house model on apparently solid 100% compacted soil and then changing its character to one similar to quicksand. The model slowly sinks completely below the surface. But we did not even have firm site investigation requirements in 1968 when the school districts were ordered to repair, replace, or abandon.

The same Television Special showed views of several relatively new school buildings, two recently built hospitals, and amazingly enough, the Police Command Headquarters built directly on the San Andreas Fault, in San Francisco, California's most active fault! The experts agree that this fault has the highest probability of moving again -- and soon. Moreover numerous private homes and buildings are also on the fault and many others are built on soil susceptible to liquifaction! All since 1933.

One of the world's severest earthquakes was experienced in San Francisco itself on April 18, 1906. The shock was felt without instruments to a distance of about 450 miles easterly of the fault line, but serious damage to buildings in the San Francisco-Oakland area was limited to an area of only 5 square miles, and here again the serious wreckage was mostly to buildings of weak design, poor construction, or soft ground reclaimed from swamps or outside the old shoreline.

DESTRUCTION ALONG SAN ANDREAS FAULT

The earthquake damage of April 18, 1906 extended north, east, and south to a chain of smaller spots nearly all on soft sedimentary deposits, in Oakland, Petaluma and Santa Rosa on the east, and in Palo Alto and San Jose on the south. At San Jose the soft sedimentary deposits are so deep that list borings are said to go down to 800 feet without finding bed rock. This earthquake along the San Andreas Fault caused destruction over a greater length of country than any other in the



Olive View Hospital, San Fernando Valley, after the Feb. 9, 1971 quake. Union-Tribune Photo

world -- in ancient or modern history -- and yet the zones of destruction were very narrow and confined to soft spots mostly in valley basins between rocky hills filled to unknown depths by sediments from the adjacent areas.

Most printed descriptions of damage in various natural disasters tend to greatly exaggerate the extent of damage to the locality as a whole by concentrating attention wholly on the wreckage and ignoring those that sustain little or no injury. They appeal to emotionalism. Relatively few well built structures have been badly damaged in the great earthquakes in the United States.

BUILDING QUALITY VITAL

The greatest factor in building resistance is the quality of construction. The chief lessons learned are that well built brick-walled buildings of good design with deep rigid foundations show excellent resistance to earth shock; likewise even well built wooden buildings resting on good foundations

do well. The safest type of building for commercial purposes has a steel frame made as rigid as practicable with reinforcing steel so the entire structure will oscillate as a whole. Pre-Field Act schools are constructed in a variety of ways and age, in itself, is only one (and not the most important) factor in determining whether the building is structurally safe.

MOTIVATION QUESTIONED

The thrust of the Legislature's pen was the 1967 passage of Sections 15501, etc., to the Education Code, (Garrison Act), and a 1968 amendment to Section 15516 of the Education Code, wherein our Legislature ordered all school districts to bring all pre-1933 school buildings in conformity with the Field Act or replace or abandon them by June 30, 1975. So! It's not the Field Act itself that's the problem, but the "panic stricken" Legislature. We can understand the temper of the 1933 Legislature immediately following an earthquake, but what was the real motivation for the 1967 and 1968

Contingency Funds continuously available and not returnable to the General Fund. This remains after paying out: \$52,000 for travel, \$10,937,000 for employees salaries, \$222,000 for employees' travel, \$717,000 for District offices, \$984,000 for contracts (EDP, etc.) and \$4,360,000 for "miscellaneous".

Ten years ago, \$5,700,000 was appropriated for the legislature in 1962. Since Californians approved Proposition 1A, removing the right of the voters to control the salaries of their elected officials, this appropriation has increased over 500%. Promised a "full-time", "professional legislature" it appears the taxpayers confidence in the ability of public servants to control themselves has been misplaced and abused. Our Federal Government has fixed prices and wages; raised taxes and expenditures. Is it proper that our Legislators should raise their own salaries and tax-exempt income?

WHAT CANDIDATES SAY

Recently a "candidates night" was held in Sacramento by the Purse Strings Committee. Every candidate for office was invited. All four of the candidates attending supported the new Salary Initiative: David Skoog (D) running in the 8th Assembly District said the people must be given the opportunity to vote on the Purse Strings Amendment, as did "Dutch" Dannenberg Candidate for supervisor. Donna Cook (R) running in the third Assembly District, felt so strongly that she is now doing volunteer work at the Purse Strings-Qualifiers State Headquarters.

David McKinley, candidate for the Senate seat in Sacramento, put it; "The really basic question in the Purse Strings Amendment is: do your elected officials work for you or are you going to end up working for them?"

WHO IS WORKING FOR WHOM?

If our elected officials are working for us, then

we have the right to hire and fire them; to give them a raise when they deserve it. But, in Proposition 1A (1966), we gave our elected officials the right to raise salaries without asking our permission.

To "fire" an elected official at the polls is getting more difficult all the time when the incumbent has all that staff, telephone and travel expenses paid out of taxes the year round. Not counting the well-heeled lobbyists and pressure groups having access to the press and other mass media.

No wonder politics has been defined as "the science of who gets what."

But politics is also "the art of the possible" and it is still possible for the voters to have their say through the initiative and referendum.

Taxpayers Concerned recently used petitions to stop the \$9,000 increase in Supervisor's salaries in San Diego County. Other counties are engaging in similar efforts.

WHAT THE PETITION SAYS

Statewide petitions are being circulated for the PURSE STRINGS AMENDMENT, Salary Initiative which reads as follows:

Section 24 is added to Article XX to read:

Sec. 24. (a) Notwithstanding any other provision of this Constitution, no increase in salary of the Governor, Lieutenant Governor, Attorney General, State Treasurer, Secretary of State, State Controller, Superintendent of Public Instruction, members of the Board of Equalization, Members of the Legislature, or any judge of a court of record shall become operative unless such increase has been approved by a majority of the voters of the state voting at a general election.

(b) Notwithstanding any other provision of this Constitution, no increase in the salary of an elective office of a city, county, or city and

TAKING BACK the PURSE STRINGS

Remember dear, when he says he will reduce property taxes, ask him if he would please reduce the BUDGET instead.



by John Nagy

"Nothing on earth has the power of an idea whose time has come," as Victor Hugo said.

And the idea of taking back the purse strings, beginning with control over the salaries paid elected officials, is taking hold in California.

The Purse Strings Committee, sponsors of the Purse Strings Amendment (Salary Initiative), is doing statewide what local groups, such as Taxpayers Concerned (of San Diego) have done or tried to do.

Here's why: Not only have County Supervisors voted themselves generous raises, but our State Legislature has done handsomely by themselves. Jesse Unruh is quoted by Speaker Moretti as saying that California Legislators live as if they were making \$150,000 a year.

HOW MUCH DOES A LEGISLATOR COST?

Lets look at some figures:

The California Legislature appropriated \$30,900,000 for the 1971 session.

An average of \$257,500 per Legislator.

A State Legislator is allowed as much as:

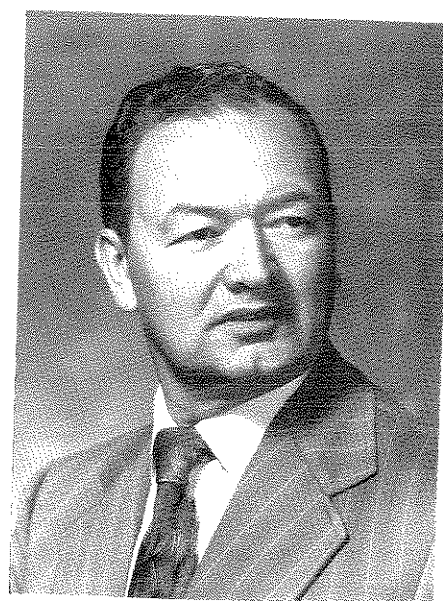
\$1,600.00	monthly for salary.
910.00	" " living expense.
350.00	" " District Office.
3,000.00	" " four secretaries.
940.00	" " a field representative.
1,200.00	" " administrative assist.
8,000.00	" total

Plus a car of their own choosing (over fifty percent chose Cadillacs).

Credit cards for car expense and traveling. Virtually unlimited phone and mailing privileges.

Plus up to \$1,100.00 monthly retirement upon leaving office.

And in 1971 an estimated \$16,000,000.00 had accumulated in Assembly, Senate, and Joint



John Nagy, President,
Statewide Homeowners Association

laws? Our representatives were presented a study in 1967 indicating that the cost of complying with these requirements would be over a billion dollars - (a great deal more today) all to be spent in construction - brick and mortar, a financial impossibility. Bear in mind that the Legislature was ordering compliance with standards then that permitted the placement of school buildings on unsafe sites.

SCHOOL SAFETY OR EDUCATIONAL EXPERIMENT?

Is the true purpose of the Garrison Act a school safety project, a make-work project, or what? For Example: What danger do San Diego buildings face? The closest active faults are many miles from San Diego, and the epicenter of any local quake would also be many miles from it. Moreover, San Diego is built on a calm, rocky shelf extending in from the sea, made of decomposed granite and cemented marine sediments.

Past School Board policy in San Diego has been to repair or replace schools exhibiting susceptibility to earth shock damage, and school buildings have indeed been replaced in San Diego on this criteria (Adams & Jefferson).

WHY MUST WE DO IT NOW?

Are there other compelling reasons to close the pre-1933 schools and enter a new educational experiment? If the school districts are required to close the pre-1933 schools, these will be the schools in the older areas, the "inner-cities" as they are sometimes called. Remaining schools then go on a year-round basis with students being bused from the inner-city area to the suburban area. Is the real purpose of the proposed experiment school safety or an assault on neighborhood schools? Note the following State and Federal Actions: Sections 5002 and 5003 of the Education Code passed by the Legislature in 1972, order the

school boards to give priority to elimination of racial imbalance. The California State Supreme Court decision, SERRANO v. PRIEST, indicated that local property taxes for schools are inequitable. U.S. Court Judge Stephen J. Roth, on March 28, 1972, rules that the desegregation of Detroit schools could not be accomplished within the Detroit school districts, but that the districts were simply lines of political convenience; thus, the city and suburban districts will be required to somehow merge.

AND, HOW DOES THE PUBLIC VIEW BUSING?

According to the Los Angeles Times, 76% of those responding to a survey presented to the L.A. Board of Education preferred double sessions rather than to permit their children to be bused to other schools. Only 38% of Black parents said yes to busing. In San Diego - who's even asked you?

HOW DOES THE PUBLIC VIEW THE "45-15" PROGRAM?

Who's asked you? They've told you!!

This is a partial list of the disadvantages of the 45-15 Program:

1. INCREASED COSTS OF OPERATION

- More Teacher Pay - 4% to 5%.
- More Administrative Pay - 4% to 5%.
- More air-conditioning/heating required.
- First bid to install air-conditioning in the neighborhood of \$50,000.000 per school.
- Later bids doubled to \$100,000.00 per school.
- More storage areas will be required for teachers' supplies.
- Greater overlap of teacher coverage.
- Increased maintenance of school plant.
- Increased depreciation of all equipment.

2. DESTRUCTION OF COMMUNITY SOCIAL PATTERNS

Some children would have to adjust to 4 teachers per year.

Educational quality will suffer due to 4 adjustment periods

Extra-Curricular Activities would suffer greatly

Students moving in or out of a district would be at a great disadvantage

Summer employment, with its enrichment of experience, and the feeling of being a worthy producer, will be curtailed

Family extended vacation will be impossible

Truancy will be difficult to control

Working mothers will have severe child care problems

3. MORATORIUM IN REAL SCHOOL INVESTMENT

The increased costs will not amortize the purchase of school buildings or real estate, but will be spent one time and gone forever.

IS PROPOSITION 2 THE ANSWER?

Proposition 2 on the June 6 Ballot, appeals to the emotional mind to rebuild the so-called unsafe schools - but sneaks in a capital outlay amounting to 29% of that Bond Issue to finance the new school buildings; the ones that the land speculators and developers should finance. Furthermore, they will be only as safe as where and how well we build them, or as where and how well they're already built - no matter when they were built.

The Legislator must not only tell the taxpayer how high to jump, but in what direction; and be reasonably certain that he will gain something for his effort. The assurance that the taxpayer is buying safer schools is sadly lack-

ing. All we're sure about is that its going to cost him a lot of money so that the Legislature can say that it did its job.

NOTHING DONE FOR 30 YEARS

Why did we wait over thirty years to determine a mandatory replace, repair, or abandon requirement? That surely casts a good deal of doubt on the good faith of the Legislature. The voters are taking a hard look at Sacramento and its Courts and becoming aware of what they are doing. The voters are making themselves heard. They have said NO to Bond Issues. They have said tax increases hurt. They have said Sacramento, you're helping us right into bankruptcy.

The Public School system, education, and the helpless, captive young are being mercilessly flogged as whipping boys for social change by our Legislature for its own past sins of omission and commission. Since the rule of Sacramento is one of law rather than one of reason, our Legislature should be forced to review all safety factors including the likelihood and probable severity of disturbance on a school-by-school basis, Sections 5002 and 5003 of the Education Code, giving busing, to achieve racial balance, priority over building, to replace really unsafe schools, should be repealed. A Constitutional Amendment may issue to halt judicial legislation in this regard.

The Legislature should give safer areas more time to comply, with better criteria, and provide the funds to do so, and even exempt some structures. Furthermore, it should enable government to require builders and speculators to fund schools made necessary by their expansionist programs.

Arbitrary closure and destruction of these schools should be stopped now - particularly when reconstruction of the school is not actually funded and intended to follow demolition. **END**

for which the project was designed. The project was designed to benefit people not land. It is a reasonable classification to limit the amount of project water available to each individual in order that benefits may be distributed in accordance with the greatest good to the greatest number of individuals. The limitation insures that this enormous expenditure will not go in disproportionate share to a few individuals with large land holdings. Moreover, it prevents the use of the federal reclamation service for speculative purposes."

BOTH HOUSES OF CONGRESS UPHELD the 160-acre LIMITATION IN 1959 AND 1960. The following is from a speech by Senator Wayne Morse:

"We talk about political democracy, but we cannot have it without economic democracy. We cannot have political freedom of choice for the individual without economic freedom of choice for the individual. Therefore if I were to name one thing that guarantees the perpetuity of our democratic form of government, what I would name would be private home ownership in the city and family farm ownership in the country."

THEODORE ROOSEVELT 1911

"Now I have struck the crux of my appeal (for laws against land monopoly) I wish to save the very wealthy men of this country and their advocates and upholders from the ruin that they would bring upon themselves if they were permitted to have their way. It is because I am against revolution; it is because I am against the doctrines of the Extremists, of the Socialists; it is because I wish to see this country of ours continued as a genuine democracy; it is because I distrust violence and disbelieve in it; it is because I wish to secure this country against ever seeing a time when the 'have-nots' shall rise against the 'haves'; it is because I wish to secure for our children and our grand children and for their children's children the same freedom of opportunity, the same peace and order and justice

that we have had in the past."

THOMAS JEFFERSON (from World Book Encyclopedia Field Enterprises 1953)

Jefferson fought holding of large properties in the hands of the few. "To annul this privilege", wrote Jefferson, "and instead of an aristocracy of wealth to make an opening for the aristocracy of virtue and talent which Nature has wisely provided for the direction of society is deemed essential to a well ordered republic."

"...the mass of mankind has not been born with saddles on their backs, nor a favored few bootied and spurred, ready to ride them legitimately by the Grace of God. These are grounds of hope for others. For ourselves, let the annual return of this day forever refresh our recollections of these rights, and an undiminished devotion to them."

(4th of July letter)

PROPOSITION 10

Throughout the history of our country our leaders have recognised that our lands were to be shared by the masses rather than concentrated in the hands of a few. That recognition may very well be the foremost reason our government has prospered for nearly 200 years without falling. Why now, in 1972 has our Legislature seen fit to remove from our Constitution precepts which have throughout our history been basic to our progress.

All production starts with land or other natural resource. Can one imagine what could happen to the welfare of the people as a whole if the land ownership would be concentrated in the hands of a few?

Proposition 10 would be a good step toward reducing the wording of the Constitution, that's true, but I for one cannot bring myself to believe that Sections 2 and 3 of Article XVII is obsolete. I'm going to vote NO on 19 and urge our readers to do likewise. **END**



In CALIFORNIA we'll be able to own Land.

CROP SUBSIDIES

4. "Unpublished studies show that of 3.6 million farms, some 100,000 receive 1/3 of the benefits of price support programs. If the government spends \$3 billion yearly on price supports, about \$1 billion goes to a handful of big farmers. In the cotton program for example, \$36 million was split among 322 big farmers for an average payment of \$111,000 each. The remaining \$40 million was split among 650,000 smaller farmers for an average of \$62 each. These huge subsidies now being channeled to larger than family farming interests push up the cost of government programs, incur the public's anger, and enable the huge factory farm interests to further intensify their competitive position against the family farmer."

(Keynote address by Howard Bertsch, Administrator, Farmers Home Administration, Washington, D. C. Fresno State College, Fresno, California, May 23, 1964.)

INCOME TAXES

5. Income Tax write-offs have a greater influence on the direction land purchases are taking than any payments made by the government. The wealthy, both individuals and corporations, seem to find agriculture an attractive industry in which to lose money to offset profits made in other operations. As an illustration of how much of this type of thing goes on, our economists made some studies of Internal Revenue Service figures on the tax returns of 'farmers'. They found that the approximately 10,000 'farm proprietor' returns with adjusted gross incomes in excess of \$50,000 showed aggregate losses from farm business that exceeded aggregate profit by more than 2 to 1. For the 188 farm returns with \$500,000 or more in adjusted gross income, farm losses exceeded net profit by about 109 to 1."

(Secretary of Agriculture, Orville Freeman, in a letter to Mrs. T. M. Stout, July 22, 1964.)

OFF SHORE OIL REVENUES

6. The 1968 Legislature devoted \$64,000,000 of off-shore oil revenues to California's uneconomic water projects. These funds were originally promised to education.

LOW ASSESSMENTS

7. Traditionally, assessors in California have underassessed large land holdings.

QUOTATIONS

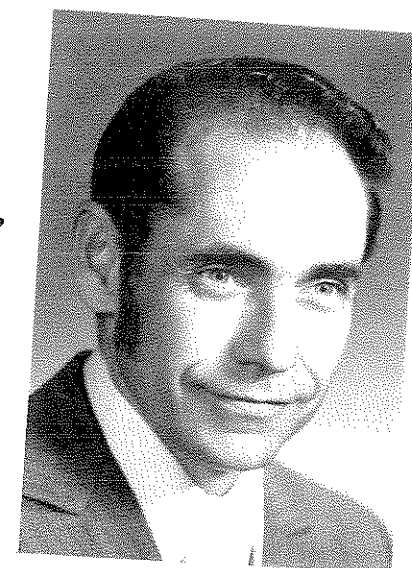
Here are some quotations showing that Americans have long abhorred land monopoly.

UNITED STATES SUPREME COURT (Arizona v California 1963, and IVANHOE V. MCCracken 1958)

"...the claim of discrimination in the 160-acre limitation we believe...overlooks the purpose

School Bond Campaigns ...

Fact or Fiction?



Lou Conde, President
Taxpayers Concerned

by Lou Conde

The current, almost universal, defeat of school bonds by the over-burdened taxpayers needs some close scrutiny. The American voters had in the past always supported the financing of their educational system. But now they are rebelling in ever-increasing numbers. Why? When the many reasons are finally analyzed the most prevalent appears to be lack of confidence. The voters have lost confidence in their schools and in their administrators. Again, why?

As president of Taxpayers Concerned, an unofficial watchdog organization, I have had first hand exposure to three recent school bond campaigns here in the city of San Diego. I would like to briefly recount some of my experiences. In order to tear down school buildings declared "unsafe" and build new ones, the San Diego Board of Education authorized the placing on the March, 1969 ballot a proposition calling for the expenditure of some 91 million dollars. Taxpayers Concerned felt this was a sizeable figure and decided to look into the situation.

We found that a committee had been formed to

campaign for the passage of the school bonds. The name of this group was "Citizens United for School Bonds," a mis-nomer if ever we heard one. Upon investigation we found that the committee was headed by a business man and an architect, both doing business with the school district. This committee proceeded to mount a strong campaign to impress on the parents of the community how unsafe their school buildings were. This despite the fact that San Diego has never had a serious earthquake nor suffered structural damage to buildings. They distributed through-out the city a slick pamphlet which showed a "crack in a foundation wall" almost big enough to insert your hand. A short time after the distribution of this pamphlet the same picture appeared in the "Staff Bulletin," the official publication of the school district. The picture was captioned, "A crack in the foundation wall at Snyder school." I went out to Snyder to look at this crack. I appeared at the next public hearing in front of the School Board and challenged them to produce an engineer's report attesting to the crack in the foundation wall.

The School Superintendent finally admitted that the photograph was "mis-captioned." The truth of the matter was that there was no crack in the foundation wall at Snyder.

Upon further investigation by members of Taxpayers Concerned we discovered a campaign office operating in a basement room at the Education Center, run by a school principal who should be doing the work he was trained to do. We discovered that the school authorities were using the Ed Center printing presses to print the weekly newsletter for this private committee, as well as all their speech copies. The Audio-Visual Aid department had prepared film and was loaning projectors to members of the committee so that they could propagandize the electorate. Taxpayers Concerned took the School Board into court for violation of the State Education Code that plainly states that they should not "produce or disseminate literature designed to influence an elector." Retired school teachers have told us that this was the first time in twenty years that someone had challenged this type of activity. The school officials stopped doing it.

Since the 91 million dollars asked for was to be used to tear down and rebuild every building found "un-safe" by state engineers, we wondered why no building had been found repairable. Upon investigation we found that such a study was indeed being made by local engineering firms hired by the school district. When we inquired we found that this report would be submitted on March 12th, the day after the election. Some timing! School officials were asking taxpayers to give them enough money to replace all the school building before they even knew which ones could be rehabilitated. The school bonds went down to defeat.

At the most recent attempt to pass a 148 million school bond, a new committee was set up to lobby for their passage. It had a new name, "Taxpayers for More and Safer Schools," but the same self-serving co-chairmen. They again



Educators need to spend more of their time on how to do a better job of teaching our children and less time on campaigns to build empires.

put out pamphlets written by a public relations firm, complete with pictures about unsafe and over-crowded classrooms. I went out to investigate those pictures. They were phony, misleading, posed pictures. I wrote a letter to the committee heads, challenging them to come forth and support the veracity of their claims. The letter was printed on the front page of one of the local newspapers. I have yet to receive an answer from those two gentlemen. Needless to say, that bond issue also went down to defeat.

The subterfuge used by these committees in their attempt to hood-wink the electorate is aided and abetted by school authorities who give these people access to school facilities and personnel. These administrators are so determined to build materialistic empires for themselves that they lose sight of the fact that their primary responsibility is quality education and not fancy edifices. Small wonder that the achievement level of California students has been steadily declining as school officials spend more and more of their time worrying

Sec. 3.

Lands belonging to this State, which are suitable for cultivation, shall be granted only to actual settlers, and in quantities not exceeding three hundred and twenty acres to each settler, under such conditions as shall be prescribed by law.

The deletion of Sections 2 and 3 from Article 17 would be a serious mistake.

What is the present situation in California land holdings?

1. Corporate land holders already have a tremendous influence on the political economy and public affairs of this state.
2. Their concentration of land holdings is increasing.
3. Large land holders profit from a variety of subsidies from local, state, and national governments.

Under the circumstances, we should not further promote concentrated land holdings and power by deletion of Sections 2 and 3 of Article XVII. Instead, we should act to bring land ownership practices into conformity with the Constitution. Reforms are being suggested, so why not just uphold the Constitution as it is written?

CORPORATE HOLDINGS

The following corporations have large land holdings in California:

Getty Oil Co.
Kern County Land Co. (Tenneco)
Standard Oil Company
Other oil companies
Southern Pacific R. R. and Land Co.
Los Angeles Times-Mirror's Tejon Ranch Co.
Irvine Ranch
New York Central-Pennsylvania R. R. -Macco realty

Large land holders profit from a variety of subsidies including:

LAND VALUES

1. Increased land value--the result of bringing water. A disproportionate share of capital costs, however, are paid by the public. The San Luis Reservoir is being paid by federal taxpayers, 76% of the "Feather River" aqueduct is being paid from property taxes in the Metropolitan Water District. The benefits are not distributed equally however. For example, the City of San Diego no longer pays its Metropolitan Water bill for property taxes. Instead, it is collected through the water rates from people who do not need the new facilities. Land owners who will need the new facilities to develop their land pay nothing since they do not now have water bills.

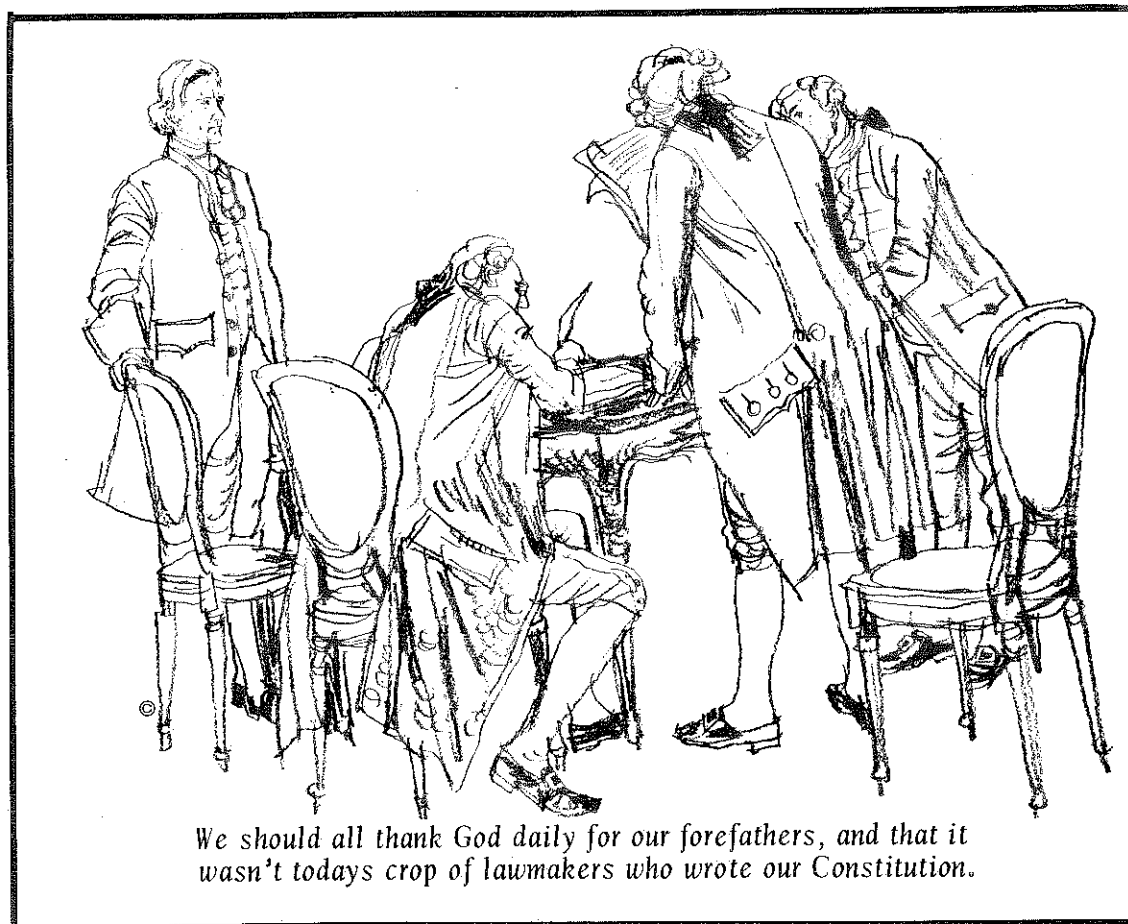
SUBSIDIZED IRRIGATION WATER

2. "In arid regions, irrigation agriculture pays typically very low prices for water and uses huge quantities. In California as a whole, 90% of the water is used for irrigation. The imperial valley irrigator, for example, pays \$2 per acre-foot for water while Los Angeles and other cities in a nearby region are paying \$25 per acre-foot wholesale to the Metropolitan Water District. For the urban water user, distribution costs raise the price to about \$80 per acre-foot, and these cities face much higher costs for future increments of supply."

(Hirshleifer, Dehaven, Milliman Water Supply Economics, Technology and Policy University of Chicago Press.)

PROPERTY TAX RELIEF

3. Because of proposition 3, passed November 1966 the state legislature has granted property tax relief for producers of foods and fibers "to preserve open space."



Constitutional Revision

by Marilyn Stout

Vote NO on Proposition 10

On the June Ballot there appears an innocent looking Proposition 10, which, according to the proponents is, "basically a housekeeping measure to eliminate obsolete and unnecessary words from the Constitution."

While it may be true that many words proposed for deletion are obsolete and unnecessary some of them are not. Those which are de-

finitely not obsolete are the 74 words of Sections 2 and 3 in Article XVII, which read:

Sec. 2.

The holding of large tracts of land, uncultivated and unimproved, by individuals or corporations, is against the public interest, and should be discouraged by all means not inconsistent with the rights of property.

EDUCATION



about their buildings.

As chairman of Pacific Beach Junior High's Citizens Advisory Committee, I have also had personal experience with the little regard some school officials have for the opinions of their constituents. The Citizens Advisory Committees came into being following a split School Board vote of 3 - 2. Their avowed purpose is to provide input to school officials as to the needs and desires of the parents of school children in each school. As such, they are to advise, but not dictate to, the school officials. Our committee was requested to provide input to school officials relative to what our school would have to do to compensate for the loss of the pre-Field Act buildings that would have to be demolished. After much discussion with

school staff, parents, and students, the recommendation was sent in as to how we could operate. The concluding sentence was "In view of the preceeding analysis it is recommended that Pacific Beach Junior High contrive to operate with no extension of the school day or school year." This report was submitted November 24, 1971. The school authorities issued a compilation of all the reports received on January 11, 1972. In that report, much to our surprise and consternation, they stated "Pacific Beach Junior High School reported that they could operate their regular program for all of the students scheduled for attendance in 1972 - 1973, using only post-Field Act structures, if they went to an extended day program of eight periods." How can you win against

people like that? It's obvious they're going to decide what's good for you whether you want it or need it.

The big kick our local school officials are on right now is the year-round program. After much battling between opponents, and proponents, five elementary schools were picked to go on a "pilot program" of year-round utilization starting next fall. But before the pilot program even starts, the newspapers came out with the story that school officials had revealed that all schools would go on a year-round schedule. It's a kind of "My mind's made up, don't confuse me with facts" situation. It is irrational behavior such as this that causes the credibility gap to widen.

It can be reliably stated that the voters of California (and elsewhere) are voting down school bond issues because they have lost confidence in the ability of school officials to educate and administrate. When these people quit becoming social planners and return to the field of education the voters will start passing school bonds.

In 1960 voters approved 89% of all school bond issues placed before them. In 1970, they they approved 48%. Taxpayers Concerned will back the adoption of school bond issues when we can have confidence that the proponents are being practical and sincere in their request for our hard-earned tax dollars and cease trying to mis-lead and stampede us into their passage.

END

Defeat Proposition 7

More Property Tax Relief??

by Frank Hughes

Gilbert and Sullivan, in their light opera "HMS Pinafore", features song lyrics which begins as follows: "Things are seldom what they seem, skim milk masquerades as cream." Such a description fits ACA 44, presented as proposition #7 which the voters will be deciding by ballot on June 6th, 1972.

Sponsored by Assemblymen Moretti and Gonsalves, this measure purports to give "homeowner relief" by specifying that any property containing an owner occupied single family dwelling must be assessed as residential property. The assessor would be forbidden to use the "market value" concept for these properties regardless of their worth.

THE PROPOSED AMENDMENT

Section 2.5. The Legislature may by law prohibit the valuation of single-family dwellings for purposes of property taxation at any value greater than that which would reflect the use of the property as a site for a single-family dwelling.

As used in this section, "single-family dwelling" means a single-family dwelling occupied by an owner thereof on the lien date and so much of the land on which it is situated as may be required for the convenient use and occupation of such dwelling, if such dwelling is on land which is zoned exclusively for single-family home use or which is zoned for agricultural use where single-family homes are permitted.

BILL HAS EMOTIONAL APPEAL

Like many proposals of this kind there is a "skim milk masquerading as cream" appeal for this amendment. The emotional aspects of the arguments by the bills proponents are shown by their opening salvo: "Voters, heres a chance to protect your right to live in your own home." They then go on to say that the nasty assessor puts a value on the property reflecting its potential use. But to do anything other than increase assessments in these cases would jeopardize the only sensible approach to property taxation--that of "fair market value". About ninety-five percent of the homes will never have a use higher than residential. The five percent whose values will have a higher use are the lucky ones. Why then should they also be given tax cuts as well?

MARKET VALUE IS LOGICAL BASE

When evaluating a piece of real estate a fee appraiser considers many facts, but all of these facts are aimed at one objective--fair market value. If the assessor is prevented from using this criteria, even in minor instances, the whole system of logical assessment practices goes out the window.

The framers of our state constitution very wisely stated that all property taxes were to be based on full market value, and it is not because we have followed this philosophy that we are in trouble, but because we have not followed it that the cry for property tax changes are heard on every hand.

HIGHEST AND BEST USE

The proponents of this amendment decry the fact that some property is assessed at its potential use as a gas station or apartment building. They would compromise another tried and true method for determining market value--"highest and best use." Try to get any fee appraiser to use any other criteria and he will laugh at you. Furthermore, if you start making exceptions for homes, in equity you should also take pity on the owner of a fourplex where a 10 unit apartment should be, an apartment where an office building should be, or an office building where a skyscraper should be. And you can be assured that the owners of that kind of property will soon apply political and economic pressure to make the same rules applicable to their underused land.

WILLING BUYER WILLING SELLER

The proponents then go on to say that property which would normally sell for \$15,000 to \$20,000 is being evaluated up to \$80,000 by the assessors even though the property is zoned for single family use.

This statement is a classic example of distortion by what is not said. The key word here is *normally*. Of course, if it is a residentially zoned single family dwelling perhaps \$15,000 to 20,000 might *normally* be its value. If, on the other hand a buyer can be found who offers \$80,000 for, say a residence next to a freeway cloverleaf which has just been completed, based on the certainty (and it must be certain, otherwise \$80,000 would not be offered), that suitable rezoning can be obtained, then obviously that is fair market value. It is here the proponents wish to ignore another basic truth in determining value, the willing buyer-willing seller concept.

PROPERTY NOT OVER-ASSESSED

Throughout all of their arguments you will look in vain for a statement that the property they would artificially value is not worth at

least what the assessor currently claims it is. If any property is really being over-assessed there is machinery set up in every county to challenge and reduce assessments if it can be proved that they are out of line using reasonable appraisal procedures.

In the final analysis, the most equitable way to evaluate property for tax determination is by the fair market value method, but even if this was not the best way, it is clear that it would be patently unfair to tax your property and mine based on market value and Joe Doaks' based on his sentimental attachment for home-sweet-home on some main street.

JUSTICE IS REAL QUESTION

Senator Clark Bradley, who wrote the ballot argument against ACA44 stresses the fact that it would benefit less than 5% of California property owners, which is true, but really misses the point. The real issue is--is it just? Any deviation from uniform application of obligation is dangerous whether it benefits 5% at the expense of the 95% or vice-versa. And it is obvious that a burden relieved from one group must be borne by another.

If Joe Doaks home is truly worth \$80,000 (which has yet to be denied), then no tears need be shed for him when a fair share of that value is taken for community use. If he doesn't like it, he can always sell his \$80,000 worth of real estate, buy a \$20,000 house, and have plenty left over to live the life of Riley for a long time to come.

WILL AGGREGATE URBAN DECAY

One of the most serious causes of urban decay today is the undertaxation of under-used prime land. Proposition #7 would aggravate a situation which needs correcting rather than enhancing.

It makes little sense to encourage residential houses on land which could be better used for something more productive and more compatible with its location and value. END