

California
HOMESOWNER

March 1967

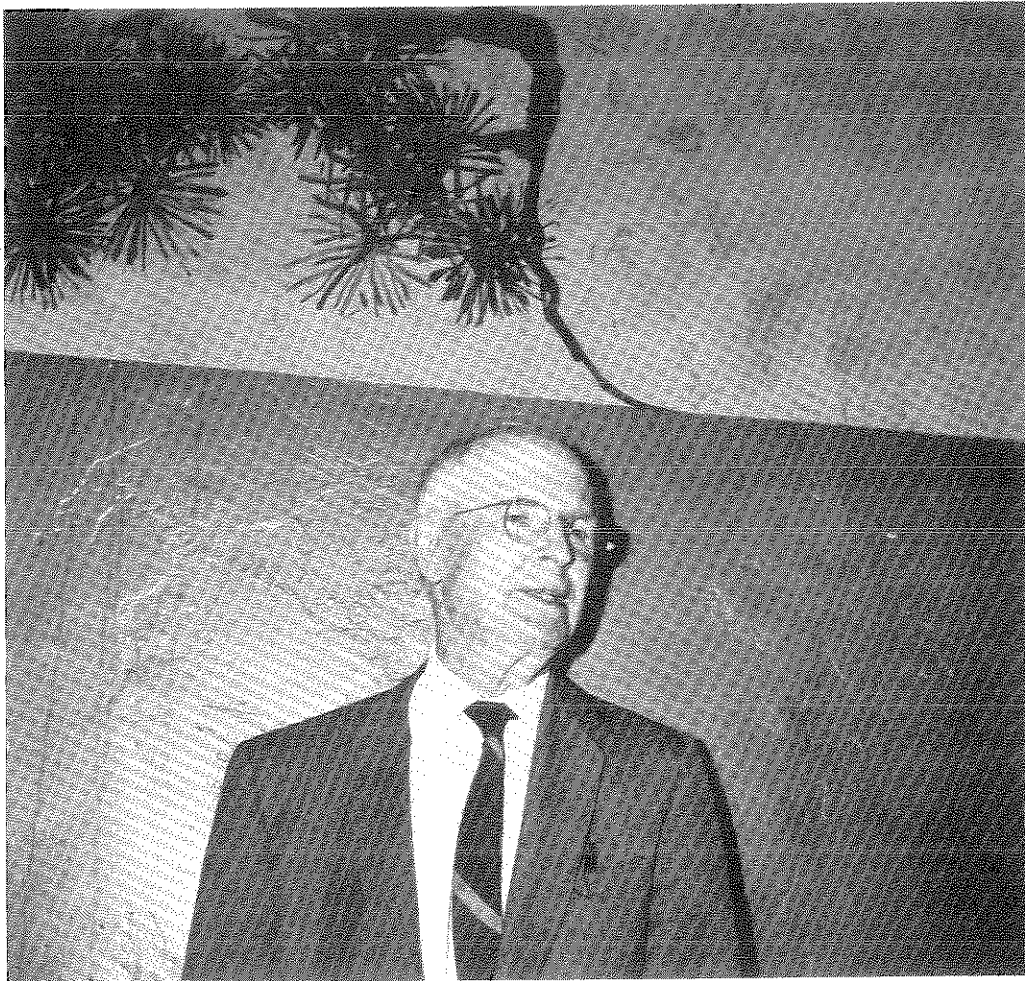
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In Memoriam

SIDNEY G. EVANS

Evans, a bachelor, had resided in San Diego County for 42 years. He had no surviving relatives and the Robert Schalkenbach Foundation of New York will be the main beneficiary of his estate.

SIDNEY G. EVANS, advisor, backer and long time friend of the Statewide Homeowners, California Homeowner magazine and the education for better economic systems which we all believe in, died February 26, just a couple weeks from his 81st birthday.

The August 1965 issue of this magazine carried the inspiring story of the life of this man who cared nothing for comforts for

himself but gave hundreds of thousands of dollars to foundations which furthered the cause of economic education. In 1963 he made a single donation of more than a quarter of a million dollars for educational purposes. In 1965 Evans spent \$25,000 on full-page advertisements in 8 California newspapers to promote a bill in the Legislature that would have exempted improvements and personal property.

California Homeowners Magazine
Volume 6 No. 1 March, 1967

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John Nagy

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Mac Bangoy

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Dr. Irene Hickman

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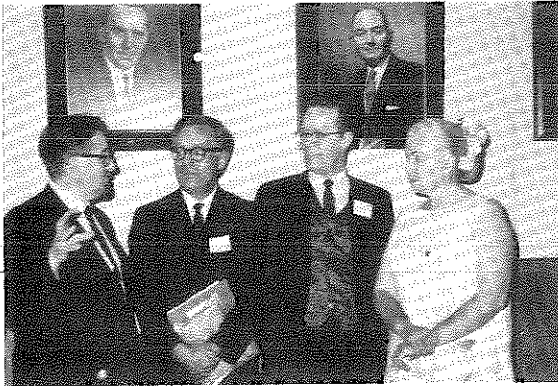
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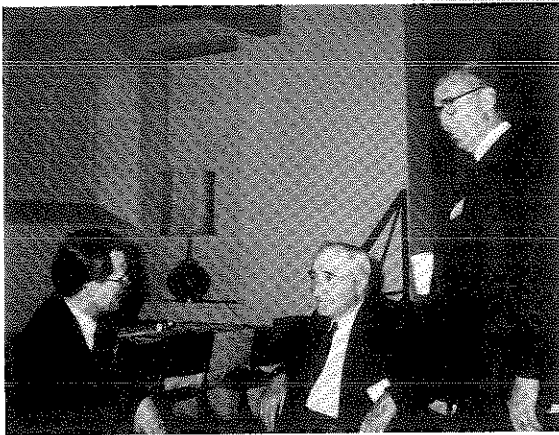
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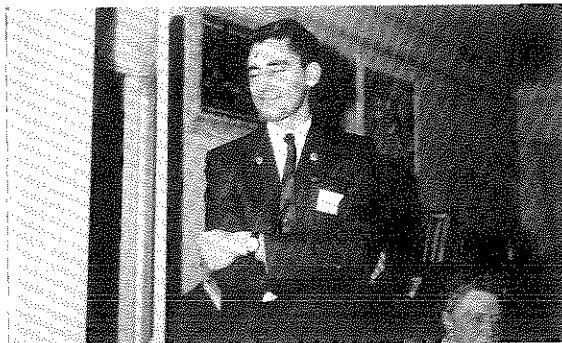
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Harry Pollard, Moderator of the Seminar, with (l. to r.) Ray Bradbury, Robert Tideman and Dr. Irene Hickman.



Robert Tideman of San Francisco talks to Henry Cramer and Arch Gerard of San Diego.



Ted Gwartney, Real Property Appraiser for the County of Sacramento

The Lonely Reformers

by Archie V. Gerard

A Seminar held at the Los Angeles Press Club on February 4 brought out the *Theory of Reform*, the *Practice of Reform*, and the *Loneliness of the Reformer*.

Participating were many of the hard working people you often see making tax protests, helping elect candidates and recalling others, protesting zonings before the planning boards and generally trying to be good citizens.

John Nagy, President of Statewide Homeowners, set the stage by telling of the long battle against unequal assessments by his organization. The activities of this group are a frontal attack on abuses of long standing. His reform is part of a world-wide principle of natural law, that is, benefits should be paid for by those who are the direct recipients.

Roy Davidson, a San Diego research expert, told of other reform movements in a talk on *The Theory of Reform*. Davidson made the study of unequal assessments in California widely published by Statewide Homeowners which showed the State is losing \$812 millions because of Assessors failure to equalize property assessments.

Lee Blinco, Vice President of the United Organizations of Homeowners and Property Owners, said anyone with a mimeograph machine and some volunteers can achieve reform — *unless* the Establishment has put a "STOP-LIGHT" on it.

Robert Tideman, columnist, radio commentator, Director of the San Francisco Henry George School of Social Science, told of the natural laws of man and the protection of privilege. Should it be the duty of government to "protect" present rights or privilege or should government eliminate them by small steps? Shouldn't we have pro-

tested when the land was given over to monopolists rather than worry now about "protecting" property rights?

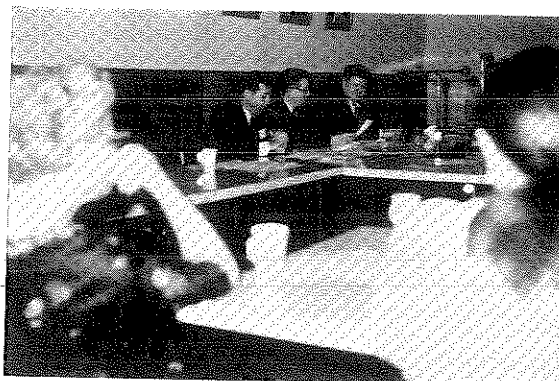
Floyd Morrow, San Diego City Councilman, pointed out that Texas in 1929 had set aside a $\frac{1}{8}$ Royalty on Mineral rights which now pays the major part of all Public Education in the state. Stating that he had gotten the City of San Diego to make a detailed analysis of where money came from and where it went, Morrow said he has hopes of equalizing the tax load in his city.

Harold Quigley, leader of the Ethical Culture Society of Los Angeles, cited the need for DIALOGUE to make sense, one to another. He said the meaning of Ethical was "the purpose of man." He said his society was trying to make "a world of more room to talk" with students from all over the world to study citizenship and democracy.

Dr. Irene Hickman cited 17 years of trying to be a reformer, while few listened. Finally she said, "God, if you want me to succeed you better open a few doors." There followed a sensational series of successes climaxed by her election to the office of assessor in Sacramento. Irene also said she has found (1.) The school finance aid system is beyond comprehension. (2.) Welfare eligibility being based on assessed values creates problems in equity. (3.) Veteran exemption with no benefit until the veteran owns the property—along with the fiction of owning when there is no equity. (4.) Some hope of reaching areas of decision and making reforms under the framework of law.

Ray Bradbury, world famous science-fiction writer, said, "When people get bored they become creative." He cited the marvelous teaching of the Lincoln Diorama at Disneyland and said we should set up more such exhibits so that children today can see living history. He also said we are living in the Space Age, whether we like it, or recognize it, and we should let the Space Program proceed, as a good substitute for war.

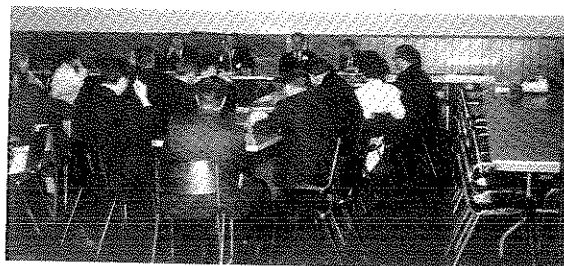
(More on reforms and reformers in our next issue.)



One of the panels in action, Floyd Morrow, Harry Pollard, Lee Blincoe.



Floyd Morrow, Irene Hickman, Henry Cramer.



The morning panel, Paul Marks, Roy Davidson, Robert Tideman, Harold Quigley.

Tax Dodges Tax Shelters

**TAX-EXEMPT SECURITIES DO NOT BRING
EDUCATION TO THE POOR MAN—
THEY DEPRIVE HIM OF IT**

**No. 542. INDIVIDUAL INCOME TAX RETURNS WITH ADJUSTED GROSS INCOME,
BY ADJUSTED GROSS INCOME CLASSES: 1950, 1959, AND 1963**

(Number of returns in thousands; money figures in millions of dollars. Includes Alaska, Hawaii, Puerto Rico, and Virgin Islands. Includes data from income tax returns of citizens and resident aliens; based on a sample of returns as filed, unadjusted except to insure proper correlation)

ADJUSTED GROSS INCOME CLASS	NUMBER OF RETURNS			ADJUSTED GROSS INCOME			INCOME TAX AFTER CREDITS		
	1950	1959	1963 (pred.)	1950	1959	1963 (pred.)	1950	1959	1963 (pred.)
Total	67,657	66,283	61,578	172,974	214,538	265,673	16,378	35,465	46,319
Under \$500	3,780	2,495	3,880	1,362	1,395	1,295	2,281	30	43
\$500 to \$1,000	8,890	7,993	8,960	2,590	2,383	2,303	40	20	43
\$1,000 to \$1,499	6,877	5,947	5,928	6,251	4,897	4,869	197	138	102
\$1,500 to \$1,999	4,472	3,445	3,381	8,738	6,476	6,516	415	302	315
\$2,000 to \$2,499	6,643	3,405	3,277	12,704	7,660	7,368	648	447	453
\$2,500 to \$2,999	4,786	3,249	3,202	15,302	9,673	9,695	891	593	622
\$3,000 to \$3,999	9,837	6,877	6,362	34,107	24,033	22,749	2,177	1,580	1,752
\$4,000 to \$4,999	6,983	6,362	6,189	26,768	20,883	27,903	2,044	2,784	3,524
\$5,000 to \$9,999	6,115	20,266	22,024	10,946	140,032	156,016	3,984	15,392	17,238
\$10,000 to \$14,999	679	3,842	5,670	5,149	42,862	66,990	1,157	5,156	9,426
\$15,000 to \$19,999	246	766	1,231	4,397	15,490	26,911	759	2,791	3,474
\$20,000 to \$49,999	859	765	1,093	10,636	21,026	29,696	2,503	4,993	6,614
\$50,000 to \$99,999	63	181	154	4,183	6,661	8,797	1,517	2,273	2,909
\$100,000 to \$149,999	16	18	25	2,053	2,451	2,814	642	1,901	1,783
\$150,000 to \$499,999	4	6	6	1,141	1,364	1,505	603	697	850
\$500,000 to \$999,999	1	1	1	418	494	525	340	228	226
\$1,000,000 and over	(2)	(2)	(2)	435	611	779	281	281	315

- Entry represents zero. 2. Less than 500.
 1. For 1950, includes nontaxable returns with income of \$5,000 or more.
 Source: Treasury Dept., Internal Revenue Service, Statistics of Income, Individual Income Tax Returns.

% Income	8.6	7.6	11.3	19.3	11.1	12.9	12.7	20.2	6.1
None	1,000	1,000	2,900	3,000	4,000	4,000	6,000	10,000	10,000

Individuals in the poverty area — \$600. to \$2,999. per year — paid \$1,624,000,000 Federal Income Tax in the year 1960.

No. 563. INTEREST-BEARING GOVERNMENT SECURITIES OUTSTANDING, BY TAX STATUS AND ISSUE: 1935 to 1964

(In millions of dollars. As of June 30. U. S. Government data on basis of Daily Treasury Statement. Par values, except U. S. savings bonds series A to F and G, when indicated, are at current redemption values)

YEAR	Total outstanding	TAX STATUS			U. S. Govt. special issues	ISSUER		
		Total	Tax-exempt			U. S. Govt.	Federal instrumentalities ¹	State and local governments ²
			Wholly ³	Partially ⁴				
1935	45,283	30,469	24,446	18,294	153	31,799	2,399	19,116
1940	70,117	62,227	30,240	35,687	15	47,874	2,709	29,044
1945	77,419	67,847	17,151	25,836	212,332	18,812	228,706	16,417
1950	798,305	56,811	25,004	82,877	211,209	92,256	225,258	1,415
1955	317,424	86,220	42,834	3,386	227,054	43,239	271,785	2,876
1960	337,011	58,323	56,849	1,476	232,440	46,245	274,728	5,425
1964	350,637	63,220	62,035	1,185	242,361	44,758	285,944	5,708
1969	388,218	97,569	96,425	1,144	240,321	45,699	285,399	6,407
1964	395,408	72,215	71,780	1,485	287,148	46,663	285,011	7,250
1962	394,349	81,818	80,121	1,485	297,795	44,939	294,898	6,332
1960	368,066	85,615	85,005	1,485	281,561	44,801	285,858	10,122
1954	471,394	99,300	91,300	1,485	278,697	46,627	288,169	11,868

- Entry represents zero.
 1. Interest is exempt from both normal and surtax rates of Federal income tax.
 2. Interest is exempt only from normal rates of Federal income tax.
 3. Interest is subject to both normal and surtax rates of Federal income tax.
 4. Includes guaranteed securities of Federal instrumentalities except those held by Treasury.
 5. Non-guaranteed securities. Excludes stocks and insurance bonds.
 6. Widely tax-exempt. Includes governments of outlying areas. Excludes obligations of Philippines after June 30, 1945, and Puerto Rico after June 30, 1962.
 Source: Treasury Dept., Annual Report of the Secretary.

I PAY NO TAXES

... on my income from municipal bonds. I don't even report it on my Federal tax return!

This helps me *two* ways: Tax-free interest lets me bank more income—and keeps me out of the next higher tax bracket where further income from taxable sources would put me.

Simple arithmetic tells me that, with my taxable income of \$20,000 and \$4,000 deductions, a 3¾% municipal bond will pay me the equivalent of a 7½% yield from an ordinary taxable investment!

First California Company showed me how to do this with safe, readily marketable investments. Their Bond Department created a long-range plan based on my personal need and desires. Now, periodic purchases of state, county and government bonds keep my spendable income up and taxable income down.



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in

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of State and Local Governments**

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Approximately**

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Authors: Charles J. Leighton, Jr.
Jerome Kent

56.12

SYNDICATES / 202

D. [56.12] Depreciation Projections

ILLUSTRATION OF LEVERAGE AND TAX BENEFITS

Purpose: To demonstrate the net effect of financing and depreciation on equity yields in real estate

Property: New Supermarket; Net Lease; AAA-1 Tenant; 25-year lease

Price: \$500,000 Equity Cash Required: \$150,000

Free and Clear Net: \$35,000 or 7%

Loan: \$350,000 5% 25-year Annual Payment: \$26,422

Net Cash After Loan Payments: \$8,578 Yield on Equity: 5.71%

Depreciation Method: Sum of Years' Digits 25-year life

Depreciable Value: Building Cost \$400,000 Land Cost \$100,000

Tax Bracket: Assume 50%

	A	B	C	D	E	F	G	H
Year	Net	Deprecia- tion	Interest	A-(B+C) Taxable Loss	Saved Tax 50%	Net	Amortiza- tion	D+E Cash Yield Tax-Free
1	\$ 35,000	\$ 36,760	\$ 10,772	\$15,532	Loss	\$ 7,766	\$ 8,578	\$ 16,344
2	35,000	29,720	10,772	14,492	Loss	7,140	8,578	15,730
3	35,000	29,280	10,772	13,292	Loss	6,436	8,578	14,774
4	35,000	27,960	10,772	10,968	Loss	5,484	8,578	14,028
5	35,000	25,840	10,772	8,968	Loss	4,432	8,578	13,000
6	35,000	24,000	10,772	7,608	Loss	3,811	8,578	12,589
7	35,000	23,400	10,772	6,328	Loss	3,166	8,578	11,944
8	35,000	22,160	10,772	4,122	Loss	2,068	8,578	10,646
9	35,000	20,920	10,772	1,822	Loss	911	8,578	10,500
	\$315,000	\$229,800	\$103,248	\$80,028		\$40,264	\$77,202	\$75,550
						\$17,550	\$117,566	

Assume Sale after 9th year at \$500,000 less Commission \$15,000

Net \$485,000

Less Loan Balance 274,450 (\$350,000 original less amortization)

Net Cash \$210,550

25% Tax on Cash 52,638

After Tax Cash Net \$157,912

Less Beginning Equity 150,000

Cash Benefit #1—Amortization \$ 4,400

Total Tax-Free Income

Paid out 9 years #2 \$ 77,202

Benefit of Tax Loss

50% of Loss #3 \$ 40,264

Total Net Tax-Free

Income 9 years \$151,669

Average Annual Tax-Free Net Total \$15,540 Effective Tax-Free Yield on Equity: 9%

COMMENT: Interest and amortization figures are not 100% accurate since the computation tables are based on loans of smaller amounts; however, the over-all result is close enough to the actual to present a useful demonstration.

From:

"California Real Estate Syndicates and Investment Trusts"

© 1962 by The Regents of the University of California

This investor put up

\$150,000

for the equity.

After 9 years of operation:

He had claimed:

(a) \$239,600 depreciation (exceeding his equity investment by

\$89,600)

(b) \$80,928 taxable loss (although he made a net profit, after interest, of

\$151,752

He paid no Federal Income Tax on this property during the 9 years. Had he employed straight-line depreciation, he would have paid

\$39,851

in Federal income taxes.

FURTHERMORE —

This investor had claimed more loss than needed to escape income taxes on this particular property.

SO — he could apply the excess loss to other income from other sources upon which he would otherwise have had to pay an income tax.

AND STILL FURTHERMORE —

The investor could utilize the tax-free cash yield — for other investments — spread annually over the 9-year period.

AND STILL FURTHERMORE —

The original equity investment has increased in value—(by reason of mortgage pay-off, economic growth and inflation.)

**WHO BENEFITS FROM THE PRESENT SYSTEM
OF LAND ASSESSMENT AND ZONING PRACTICES?**

The large farmers, timberland interests, big developers, real estate groups and others who have fought assessment reforms are continuously receiving favors from local and state government.

In the following pages we present some 1966 Los Angeles County Grand Jury Report.

In an investigation of a planned residential development in Chatsworth, the Grand Jury found that a case which had received unfavorable recommendations from every city agency which had considered the case from its inception was reversed by the City Council and received a very favorable zoning permit. WHY?

The Grand Jury said; "We regretfully report that evidence we heard demonstrated that influence can and has been in all probability will be exerted through the medium of campaign contributions, political obligations and friendships."

After making a total of 8 recommendations for reform of the zoning practices of the city and county of Los Angeles, the Grand Jury further added; "It is apparent that a projected and in-depth study of this field is not only overdue, but one which would be invaluable to the interests of THE TAXPAYERS."



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*The law condemns the man or woman
Who steals the goose from off the common
But lets the greater robber loose
Who steals the common from the goose!*

Why the Fuss About Zoning?

By The Hon. Marvin Braude
Councilman, City of Los Angeles

Someone may wonder, Why all the fuss about zoning?

The answer is simple: Certain zone changes are just like licenses to print money.

And for this reason zoning privileges should not be granted which would result in private profit at public expense.

Everyone knows of the scandals that have arisen from time to time over fat Federal contracts or valuable licenses. Zoning is susceptible to the same abuses and the necessity for reform is hardly news to anyone who has looked objectively at Los Angeles zoning procedures. But recently a new element has entered the picture — a fresh awareness by the people that the public interest has not been adequately protected.

Principal credit for this new awareness belongs to the Los Angeles County Grand Jury and its recent investigation of Los Angeles city planning matters.

Zoning has special significance for the homeowner.

The family residence usually constitutes the largest single investment of the average homeowner, and he depends on zoning and its proper administration to protect the value of his investment.

A homeowner does not want so-called "spot-zoning" to undermine the desirable qualities of his neighborhood—he does not want the residential characteristics to be destroyed by the intrusion of commercial land uses; he does not want his quiet street to be invaded by the noise and traffic which would result from high-density residential development.

The zoning of an area should not be changed for light or transient reasons, or for the benefit of private interests.

But, sadly enough, zoning has not provided the degree of stability which our citizens are entitled to expect. Because special interests are forever busy in City Hall, and existing zoning procedures are too susceptible to special influence.

The recent Grand Jury investigation of



Marvin Braude

Marvin Braude started his working life as an instructor in economics and political science at his alma mater, the University of Chicago. A background he should find useful in the City Council, his first public office. Another experience all politicians should have, founding a business and making it work, was the Capital for Small Business, Inc., which Braude founded and built up to a \$5,000,000 corporation. Setting an example for others to follow, he has divested himself of all interests which might benefit from his position on the City Council.

zoning practices in the City of Los Angeles has focused public attention on a matter which has long occupied my concern.

Beginning in September, 1966, I introduced a series of proposals which would go a long way to remove the suspicion which now clouds our zoning procedure.

The Grand Jury inquiry raised the possibility of lobbyists exercising improper pressure and of conflict of interest on the part of elected and appointed officials who deal with zoning cases.

While the Grand Jury did not prove any wrong-doing within the City, I feel that it is extremely important that City officials act to clarify the issue. I believe such clarification is necessary to assure the public and to protect the conscientious officials who daily must decide difficult zoning matters.

A comprehensive study of City zoning practices by an outside, blue-ribbon group has been approved by the City Council, and it had my wholehearted support. But such a comprehensive study could take years to complete.

We must not wait until we have the perfect plan before taking some obvious steps. Rather, we ought to proceed with what we are confident will help — we must make a beginning. We must make certain that requests for additional study are not attempts to delay and divert public attention.

With this in mind I have introduced two resolutions (Council Files 132461 and 132683) which could reasonably be acted upon immediately.

MOTION

Council File 132461

I MOVE that the City Attorney be requested to prepare an ordinance providing that any person or business entity applying for a zone change or other planning action by the City of Los Angeles (or any affiliated person or business entity that has a beneficial interest in such change) shall list all campaign contributions or gifts made directly or indirectly to elected officials of the City of Los Angeles, naming the recipient of such contributions or gifts and the amount or value of same when said value exceeds \$25.

My first proposal would require those seeking zone changes to report gifts or cam-

paign contributions in excess of \$25.00 to elected officials. Campaign contributions are necessary in our political system, but when they come from those who stand to profit financially from government decisions, the public has a right to know.

MOTION

Council File 132683

I MOVE that the City Attorney be requested to prepare an ordinance requiring that all elected and appointed officials of the City of Los Angeles dealing with zoning and planning matters file with the City Clerk sworn affidavits listing all of their real estate properties within the City of Los Angeles on July 1 and January 1 of each year.

My second proposal would require all elected officials and members of the City Planning Commission and the Board of Zoning Adjustment (BZA) to file a list of their real estate holdings within the City twice annually.

The Council has submitted these proposals to committee for further study.

MOTION

City Council File 131411 Sup. #1

I MOVE the City Attorney be requested to prepare the necessary amendment to Charter Section 98(2) to provide that the Council may, by ordinance after report thereon by the City Planning Commission and the Chief Zoning Administrator, define the categories in which the variance procedure could be utilized. Said Charter amendment to be submitted to the electorate at the Municipal General Election on May 31, 1967.

I have also proposed a Charter amendment which would permit the City Council to enact an ordinance to regulate the activities of the BZA. As of this writing, the Council has not taken final action on this matter.

Another proposal of mine, a Charter Amendment, has been approved unani-

MOTION

Council File 131702

I MOVE that the Charter and Administrative Code Committee consider amendment of Section 98 of the Los Angeles City Charter to provide for an extension from 40 to 50 days the time limit within which the Zoning Administrator must act on Zone Variance and Conditional Use cases.

mously by the City Council and will appear on the ballot in the April 4 Municipal Election.

I am optimistic that persistent public pressure in favor of my conflict-of-interest and

disclosure proposals will persuade the Council to adopt them.

I believe it is essential that the people of our City be assured that their elected officials are aware of the possible conflicts of interest and are determined to frustrate any possible attempt to secure private gain from public business.

My proposed ordinances will not eliminate wrong-doing — neither they nor any series of laws can guarantee honesty.

But a formal declaration in favor of disclosure will be an important first step. It will underscore our concern and give substance to our good intentions. And it will go a long way toward dissipating the cloud of suspicion that now overhangs our municipal zoning practices.

The Press in the Jury Box

by Howard Felsher and Michael Rosen MacMillan Company

Almost everyone seems to have a complaint about the press. As editor of a magazine which tries to be middle-of-the road, we know it is impossible to please both the far right and far left of the political spectrum. Yet, pleasing people politically and pleasing them generally are two different things. While a great majority of the press still clings to the Hearstian principles for running a tabloid; controversy, violence and sex in large doses, the few papers worth reading have abandoned those theories.

We find today that papers which have abandoned sensationalism, such as the National Observer and the Christian Science Monitor, are the ones with the greatest circulation. Surely a warning to those of the press who still feel a story is not a story unless it has controversy, violence, sex, or all three.

The press has in a large part abandoned their responsibility to reform, they take every government and official handout and automatically print it. While those who question government or work for reform find no audience, in fact they are written off as "kooks." We get daily complaints from homeowners groups who say they cannot get a hearing, either from the press, or from government officials... surely the first step towards "big brother" government.

In *THE PRESS AND THE JURY BOX*, authors Felsher and Rosen document the many sensational cases in which freedom of the press has led to bias in the minds of the jurors, or even a crippling of the rights to a person for a fair trial. Who would venture to say, for instance, that Lee Harvey Oswald

would have been given a fair trial? Saddest of all, every murder trial or notorious criminal case is treated in the same manner, politically ambitious prosecutors leak choice morsels to the press so that by the time the jury is seated, the atmosphere is hopelessly clouded by unfair pre-trial publicity.

England showed concern over this problem even before the existence of the United States. As early as 1742 in the case of Roach vs. Garvin, the English court ruled: "Nothing is more incumbent upon courts of justice than to preserve the proceedings from being misrepresented; nor is there anything of more pernicious consequence, than to prejudice the minds of the public against persons concerned as parties in cases, before the cause is finally heard... There is more on Halbury's Laws of England and instances where these laws were violated and the papers were duly fined for their offense.

The end of the book gives recommendations by noted Bernard S. Meyer of the New York State Supreme Court for ways to eliminate trial by newspaper. He feels that codes of ethics will not be effective and maintains that we must have *LEGAL* sanctions, he names types of evidence which can be revealed and what should not be revealed and recommends a statute for enforcing action.

"His proposal would not abridge the freedom of the press to publish what it wants to publish. It would not interfere with the public's 'right to know.' It would do nothing more than restrain the press from printing prejudicial information until such time as that information could no longer prejudice. To reasonable men, that would be justice."

The Big Water Giveaway

by Marilyn Stout

It must be said at the outset that there are two kinds of anti-monopoly land law that govern California: one is Article XVII of the California Constitution; the other is the 160-acre water limitation in Federal Reclamation Law. Both of these laws are necessary.

The controversy over the anti-monopoly land law has raged more than 50 years through the state and national legislatures and all the courts of the land culminating in Supreme Court decisions. As the controversy begins again the following questions are still at issue:

1. The size of land holdings in California is illegal under the present state constitution. Why remove Article XVII and make these holdings legal?

Kern County Land Co. owns	348,026 acres
Standard Oil Company	218,485 acres
Other oil companies	264,678 acres
Southern Pacific R.R. and land company	201,851 acres
Los Angeles Times Mirror's Tejon Ranch Company	168,531 acres
Irvine Ranch	90,000 acres
Pennsylvania R.R. - Macco Realty's Vail and Porter ranches	90,000 acres

2. Increasing concentration of land holdings is an issue in California. The *California State Development Plan Program* published in 1965 by the Department of Finance indicates on pages 19 and 20 that of the 99,000 farms in the State six percent contain 75 percent of the total land in farms. A mere three percent of farms contained almost two-thirds of the state's farmlands.
(P. 6886, *Congressional Record*, May 1959)

PREDICTIONS ON WHAT COULD HAPPEN IN THIS STATE IF ARTICLE XVII IS DELETED AND THE 160-ACRE WATER LIMIT IS BY-PASSED

Those who are sensitive in fields of economics and political science should assess trends and counter trends to see which programs lead to democracy, greater freedom and progress for the common man and which lead away from it.

For large ranches in California a social system with new wrinkles, but some really as old and undesirable as the serf system of the middle ages and land patterns of South America and Asia today, can be predicted.

On big ranches such as Irvine, Tejon, Kern County Land, we could get (1) company-owned towns, (2) company-owned branches of the University of California which are mere real estate development adjuncts rather than real centers of learning and academic freedom, and (3) company-owned agricultural business employing Mexican bracero labor at lower than established minimum wages—the serfs of our day. Anyone who wants to read a prediction should read the Irvine Ranch Story.

1. The Company owned town.

Five days after the voters approved the Feather River Project General Obligation Bond program which puts water development on the backs of small property holders and benefits great land developers, if they can escape acreage limitation laws, on Nov. 13, 1960 appeared the prediction of things to come — the Irvine Ranch story in the *Los Angeles Times*.

2. "Irvine Ranch... a new city" — still unnamed — is soon to be born in Orange County.

3. Experts on the economics of water supply, including Hirshleifer, De Haven and Milliman have shown how water costs are shifted to other property tax and rate payers.

IRRIGATION AGRICULTURE PAYS LESS THAN COST

Irrigation agriculture typically pays low prices for water and uses huge quantities. In California, 90 percent of all water is used for irrigation. The Imperial Valley irrigator pays \$2 per acre-foot for water; the municipal user in Los Angeles pays \$80 per acre-foot or more. Yet, if 25 percent of Imperial Valley irrigators' water rights were purchased for transfer, the transferred water would equal two-thirds of all water used in the South Coastal area of California between Los Angeles and San Diego. Despite potentialities for transfers and pricing improvements, California is counting on costly new imports of water from the Feather River and other projects in the West.

4. Water for ranches the size of Kern County Land Co. and Irvine is illegal under Reclamation Law's 160-acre limit. Some of the listed ranches would demand more than 1,000 times the water and taxpayer subsidy allowed for so few people.

The federal government is beginning a law suit in Imperial County.

5. When the beneficiaries are few in number and the purpose is not public, the use of state bonds has been ruled illegal in courts.*

In view of all these issues that should be cleared up in courts, why bring our Constitution into conformity with the illegal practices of a few large land owners? Instead why don't the land owners change their practices to conform to our Constitution?

POLICY ISSUES

6. In Proposition 3 passed last November voters allow the legislature to grant tax relief for open space. Did voters have the real facts about land ownership concentration when they made this decision?

7. On May 15, 1960, the following story appeared in the *Los Angeles Times*: "Two Million Acres To Be Sold in Riverside County." A golden harvest awaits future developers in Riverside County when two million acres of federal land is opened to public sale. Two million acres represents 3,125 square miles, which is about 43.5% of the total land area of the county. Can anyone call

*Florida Supreme Court Rules an \$18.5 Million Bond Plan Is Invalid. Decision Says Manatee County's Offering to Finance a Port Wasn't for a Public Purpose.

WALL STREET JOURNAL, Friday, Dec. 16, 1966, p. 14.

anti-monopoly land laws obsolete when acreages like that might be sold?

Conclusions and Developing Consenses Within The Community

1. *Taxes are too high.* And we know where to cut taxes. Stop taxpayer subsidy of private real estate development corporations. Tom Shepard in his newsletter said the Council had saved \$1,500,000 in taxes. By annexing Porter Ranch, the city council cost taxpayers more than \$29,000,000. The Council fails to exercise careful stewardship over the citizen's tax dollar.

2. *The City of Los Angeles needs a new charter.* Structure of Government should be simple so that citizens will know how to make it work.

When government is overly complex, zoning expeditors, influence peddlers, the vicuna coats and deep freezes of local government "coordinate" the confusion, getting their operations on the taxpayer's bill.

The L.A. City Council concerned itself with only \$4,000,000 of the \$29,000,000 tax contributions to Macco Corporation's Porter Ranch. They concerned themselves with operation of the City's budgetary departments and excluded the city's proprietary departments, schools, flood control and other costs that wound up on the citizen's taxbill.

In other words, complicated structure of government, causes the Council to avoid exercising careful stewardship over the citizen's tax dollar... even for bargaining purposes. The City should get park and school lands at cost.

3. Because the citizens of Los Angeles in common have an aesthetic right that surpasses the right of an individual citizen to make a profit; because the City of Los Angeles fails to preserve and enhance its natural beauties; the City of Los Angeles needs an artistic master plan that is an ordinance.

The City Council should write such an ordinance and turn it over to the executive branch for its planners and artists to carry out. The City Council should watch closely to see how well the executive branch and professional planners do. The City Council and the people should watch the costs.

Millions of Dollars Lost in Farming Writeoffs!

Department of Agriculture Secretary
Orville L. Freeman writes
"Land Speculation and Tax Subsidy
Leads to More Tax Dodging"

The Congress has given the Department of Interior a mandate to "encourage, promote and strengthen" the family farm in the United States. Other programs, such as reclamation in the West, should have some limitations. Otherwise, the benefits of development would accrue to large landowners. As we see it, the 160-acre limitation is used as a device to restrict the benefits to any one individual. In our opinion this is a justifiable limitation.

There has been much talk of the trend toward larger farms and the statement is often heard that small farms are not profitable. Actually, family farms, on the whole, have proven more efficient than any other type of farm operation. Neither the great plantations that exist in many countries of the free world nor the vast state or collective farms of the communist world have been able to match the efficiency of the American family farmer.

Other factors, such as *Tax writeoffs* have a greater influence on the direction farming is taking. 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 109 to 1.

Thirty-one percent of the farmland sales made last year were to non-farm people.

There is little doubt that the establishing of monopoly control over any product has the inevitable result of raising the price of the product. In California and Florida the orange crop has pretty much been taken over by one or two marketing combines. Super-market chains now own large scale farming operations and have succeeded often in getting monopolies on labor and shipping to market the product. As the product of all types of farms has to compete on the same market, and when the supply is greater than the demand, the price is forced down to the lowest cost of production.

Until food producers, the farmers, receive full parity for their commodities, they are subsidizing the consuming public by the amount their aggregate incomes fall short of the parity figure. There are those who claim the chain stores are making excessive profits, and that if their profits were reduced to reasonable amounts the difference would be sufficient to make up the farmers' shortage of parity.

The House Agriculture Committee has pointed out that the farmer actually received on the average 12 percent less for his products during the last year than he received during the period 1947-1949. The consumer, on the other hand, paid 29 percent more. The farmers' share of the consumers dollar slipped from 44 cents in 1953 to 38 cents in 1961.

—Orville L. Freeman

*There was an economist who planned
To teach economics without land
He would have succeeded but found that
Food, clothing and somewhere ^{he needed,} to stand.*

TAX SHELTER

Pals of Governor Reagan

by Dr. Ben Yellen

Dr. Francisco Bravo owns a big ranch in Imperial County, although he lives and practices in Los Angeles. It is estimated that his ranch escapes at least \$40,000 in taxes per year through under-assessment of the land. Dr. Bravo was recently appointed by Governor Ronald Reagan to the State Board of Agriculture.

Allen Grant of Tulare County receives similar tax benefits on his large ranch, he was recently appointed to the Chairmanship of the State Agricultural Board.

Members of the Governor's staff and other aides recently bought 2,000 acres of Nevada County land for more than \$1 million dollars. The Governor said he saw no conflict of interest in the purchase of the land by his aides even though the land in question stands to increase in value from State roads, from the State policies of under-assessing land, and from the water rights furnished by the State.

The lobbying organization of the big farmers for water rights is called THE IRRIGATION DISTRICTS ASSOCIATION OF CALIFORNIA. It gets the State Legislature to pass laws to continue supplying water to the big ranches at low cost while the people in the towns pay high district taxes to subsidize the below cost water. Councilman Ernani Bernardi of Los Angeles, (which ranks 8th in agriculture in the United States) told how the city gets only 10 per cent of the water but pays 30 per cent of the taxes of the Metropolitan Water District.

One of the ranchers of Los Angeles County was Ronald Reagan, who was reported by columnist Walter Winchell to own about \$10 million worth of property. Reagan recently sold his Malibu ranch to the 20th Century Fox Film Corporation for \$2 million. It is estimated that Reagan escaped at least \$25,000 per year in taxes on this ranch.

Another supporter of Governor Reagan, the Irvine Ranch Corporation, escapes at least \$9 million yearly in taxes on its Orange County property, according to the Orange County assessor, who has been trying to

raise their land taxes. The property they own in Imperial County escapes another \$150,000 yearly.

The Agricultural Stabilization and Conservation Committee, another front for big farming interests, covered up a \$2.8 million fraud in sugar beet allotments by 115 big farmers of Imperial County. When it came time for the cotton allotments to be paid, Congressman John Tunney persuaded the agricultural department that these same farmers who had tried to swindle the government out of about \$25,000 each in fraudulent claims for sugar beets were not made to pay the money back nor was it deducted from their cotton allotments.

According to Joseph Alsop in a column titled "The Rich Get Richer," the 3.5 million U. S. Farmers are sharply divided into two very different groups. A million of them are successful farmers, with incomes over \$10,000 per year and capital assets that probably averages over \$100,000 per farmer.

The other 2.5 million farmers are unsuccessful and especially unsuccessful in mooching most of the price supports, soil conservation payments and growers allotments. So who gets what share of the \$4 billion we spend to prop farm prices? The successful farmers get \$3.2 billion, while the rest of the "poor" farmers get the other 20 per cent.

The taxpayers are now laying out \$3,200 per head per annum to insure the income of one of the most prosperous, even wealthy, single groups in the entire U. S. population.

The California State budget calls for the collection of \$4.6 billions which the Governor says is more than the state can expect in revenue. We can tell him where he can make up \$1.2 billion in revenue, just tax his supporters for the real value of their land to support the local school systems and the schools will not have to ask the state for this amount each year. The Kern County Land Company escapes \$4 million yearly, apply that to all local school districts and it would almost make up the deficit!

Another 29 Million Taxpayers Dollars Given Away

On February 18, 1965 the City of Los Angeles annexed 3,017 acres of the Porter Ranch to the City of Los Angeles. On Feb. 19, 1965, Mayor Samuel Yorty signed the legislation.

Macco Corporation's Porter Ranch project is like the Feather River Project, the Bunker Hill Project, the Chavez Ravine Baseball Park. It is like the proposed Santa Monica Mountains Park Plan: Sunset International Petroleum Corporation announced a holding there following talk that this area would be underwritten financially by a state park bond issue, and a city investment in scenic roads and turnouts. It is one more example of real estate development in the city, county or state wherein the general public—property taxpayers of lower and middle income—have subsidized a vast real estate development for a corporation's profit.

Is this proper? Ours is a free enterprise economy; and a corporation in the real estate development business ought 1. to have sufficient capital, or 2. to be able to borrow sufficient capital to finance its own operations.

While government subsidy might be proper in the case of culturally deprived, handicapped or poverty-stricken people, there is no justification for subsidizing the wealthiest corporations with taxpayer's funds.

The Los Angeles City Council concerned itself with only \$4,425,000 of the taxpayer's public investment in Macco Corporation's Porter Ranch. The Council ignored problems it created for the School Board, and the Department of Water and Power. However, the taxpayer will feel increased taxes for new schools as a result of this annexation; and higher water and power costs may be attributed to Porter Ranch.

A recommendation: when the city council is considering any participation with a private developer, it should ask who pays and who gets. The city council should add up *all* the public investment in a project like the Porter Ranch annexation and cause this to be published in the newspapers for the purpose of 1. eliminating public investment in private enterprise operations; or 2. for the purpose of driving a good bargain.

Here follows a brief, partial, incomplete survey that indicates not a \$4,000,000, but a \$29,462,000 investment by taxpayers in Macco Corporation's Porter Ranch Project.

PUBLIC INVESTMENT IN MACCO'S PORTER RANCH

1. Limekiln creek debris basin project... \$ 690,000*
paid by:

L.A. County Flood Control District	35,000
Los Angeles City Betterments	3,000
State Division of Highways	\$ 728,000
U.S. Soil Conservation Service	
State Dept. of Water Resources	
2. Capital costs to city which residents on Porter Ranch will take 34 years to pay back 4,425,000**

Recreation and Parks.....	\$3,350,000
Library Departments	546,000
Traffic department	302,000
Fire department	500,000
3. The greatest gift which the city of Los Angeles bestows when it annexes a large territory is schools. All the citizens of Los Angeles buy Porter Ranch schools:

1 senior high	\$5,000,000
2 junior highs	6,000,000
9 elementary schools	9,000,000

\$20,000,000***

4. School prices above do not include land. Macco Corporation bought all its land at \$5,000. per acre and turned around to charge the city \$17,000. an acre for the first parcel of school ground the 8 acre Beckford Ave. School ground: (Mr. John Parker of the Macco Corporation told the City Council Feb. 18 that he had not heard of any

\$ 208,000****

\$17,000 an acre sale for school property. On Jan. 7, 1965 the option was signed by the real estate branch of the Los Angeles Public Schools and J. W. Klung of Atlantis Development Company. The Board of Education approved the option January 25, 1965. Mr. John Parker's statement was surprising).

The Los Angeles School Board will be forced to buy 11 pieces of land from the Macco Corporation "at fair market value" because the city council annexed Porter Ranch. Of course these lands and schools will enhance the value of residential property. Who could sell a house if a school were not nearby?

This next figure is not a school board estimate but my guess

2,288,000

5. The Van Nuys News and Valley Greensheet on January 3, 1965 listed the following investment by the Department of Water and Power in the Porter Ranch

\$ 1,793,000

Sesnon Reservoir\$150,000
Tampa Pumping Station .. 90,000
Suction discharge line .. 235,000
Susana Trunkline1,318,000

Total \$29,462,000

Mr. Fred Luke of the Department of Water and Power, 624,0421, extension 3113, says the Porter Ranch developers will pay these capital costs. Who really pays should be the subject of further investigation.

While Porter Ranch and Macco charged the School Board every cost it could identify, neither the City Council nor the Department of Water and Power has charged the Porter Ranch its share of the first or second Los Angeles aqueduct at:

\$90,000,000.

Nor have they charged Macco Corporation its fair share of Metropolitan Water District's \$3 billion dollar obligations which wind up on our tax bill. If Porter Ranch had developed under county auspices, under MWD's rules, a capital cost hook up of \$7,000,000 would have been charged. MWD charged Inglewood \$7,164,000 June 8, 1962.

Under Federal Government rules, water rights and water would be available for only 160 acres under a single ownership. But under the auspices of the City of Los Angeles, Porter Ranch got water rights for its whole 4,000 acres. The Federal Government estimates increased land value when water is added at \$1500 per acre. The Federal Government would estimate that the debt ridden City of Los Angeles had just given a \$6,000,-000 subsidy.

Macco Corporation borrowed \$20,000,000 from Aetna Life-Coldwell Banker to buy the 4,000 acre Porter Ranch. It is a good guess that they could not have afforded to develop the ranch without the illegal and economically unjustified subsidy of their operation without \$29,000,000—which will be forcibly extracted from the pockets of Los Angeles Taxpayers + debt-free water?

Water and Power rate payers may want to investigate the whole Department of Water and Power to see whether the power line from the Oregon Border is being paid out of water and power rates. People in our neighborhood have \$85 water and power bills for a two month period.

*Limekiln creek figures are not complete. Source: L.A. County Flood Control District 223-2111

***Source: Mr. Edwin Piper, Chief Administrative Officer, MA 4-5211. On Nov. 4 City Council voted to receive an annexation fee of \$2,000,000+ and send the Bureau of Right of Way and Land to assess park land costs. Council voted for, Shepard against. On Feb. 18 when annexation occurred the survey had not yet been made. Several Councilmen were unhappy. Councilmen might have driven a better bargain if they had realized what candy in the way of total taxpayer's contributions they could withhold by delaying annexation.

***Source: Los Angeles Public Schools—Educational Housing RI 7-4411.

****Source: Los Angeles Public Schools Real Estate Division, 789-8930.



JOHN NAGY recently presented a new angle on taxation to study for the Republican Women's Study Club of Glendale. (L. to r.) Mrs. Helen Larkin, president, Mrs. Claude Slate, vice-president, Nagy and Mrs. Vernon Beehler, 2nd vice-president.

Projections based on a 9 county survey made by the Basic Economic Education Foundation shows that Los Angeles local governments are losing 1½ billion dollars in tax base from under-assessed properties. The City of Los Angeles alone is losing almost 7 million dollars in revenue. Homeowners in Los Angeles county pay more than 3 times the proportionate share of taxes as do owners of vacant land, parking lots and downtown slum properties. For results of equalization in one city read on.

Mayor James Clarkson of Southfield, Michigan said: "We were able to recover \$25,000 in revenue for the city by a complete re-appraisal program. This reduced the tax rate for school, county and drains by 7 per cent and gave every homeowner a reduction on his tax bill." If Southfield can do it, why not Los Angeles?

(ED. NOTE: JAMES CLARKSON WILL BE SPEAKING IN CALIFORNIA IN JULY ON THIS SUBJECT, AT LOS ANGELES TOWN HALL, SAN FRANCISCO AND SACRAMENTO. IF YOU WOULD LIKE HIM TO SPEAK FOR YOU, NOTIFY THE STATEWIDE HOMEOWNERS ASSN.)

Devonshire Estates Property Owners Protest \$49 Million Per Year Giveaway

Hon. Members Los Angeles City Council

Re: Council file No. 119666 Sunset International Petroleum Development Corporation

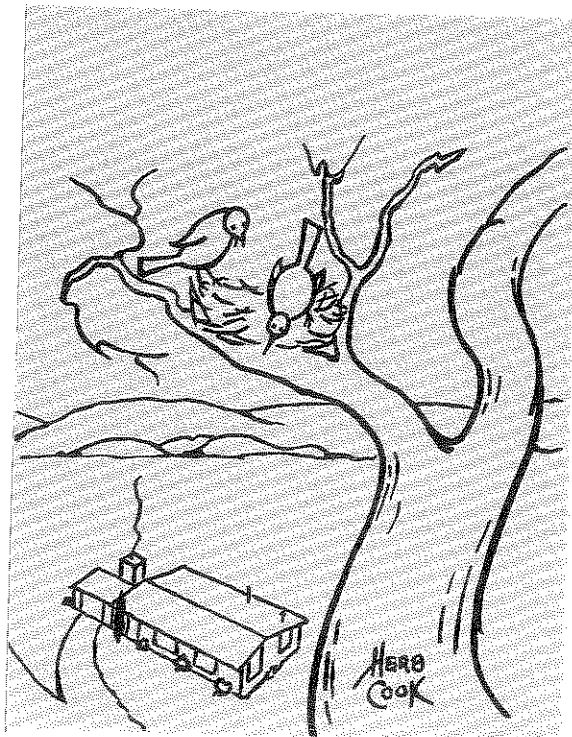
Please vote no on changes in the master plan of the Santa Monica Mountains as proposed by Sunset Petroleum International Development Corporation.

1. We oppose this plan because it is proposed to move 30 million cubic yards of earth.
2. We voted for the \$150,000,000 state beach and park bond measure and are now irritated that in Council File 119666 Sunset proposes that this regional park become "quasi-public" or not public.
3. We feel that public park land and public investment in scenic roads and turn-outs should be moved away from Sunset's development to better benefit the general public.
4. We oppose relocation of public facilities within Sunset:
 an elementary school
 2 neighborhood parks
 1 district park
 plus the regional park.
 a fire station and
 a helistop, and wonder if we taxpayers will have to buy this land at fair market value.
5. We point out that under Assembly Bill 1150 signed into law by Governor Brown July 23, 1965, "the governing body of a city or county may by ordinance require the dedication of land, the payment of fees in lieu thereof or a combination of both for park or recreational purposes as a condition to the approval of a final subdivision map."
 Since the city is working on this proposal, we feel 1150 should be put into effect first.
6. We object that Sunset International's project will cost the city 49 million dollars a year, but the "broadened tax base will

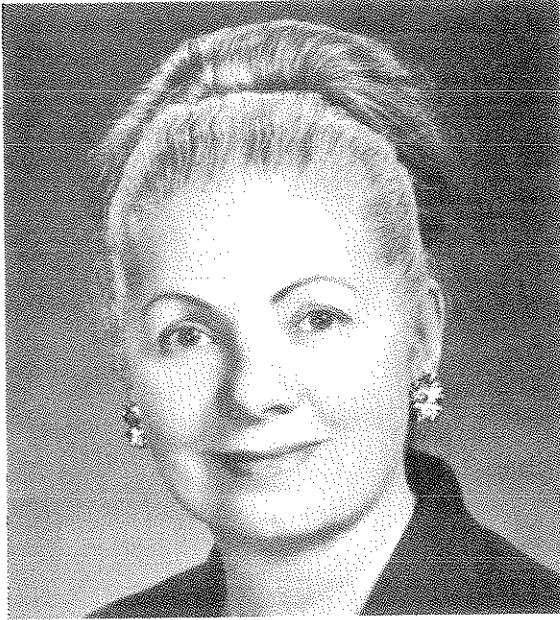
only bring 5 million dollars a year in taxes.

7. If it is an ideal of our free enterprise economy that individuals should achieve self-reliance and independence, it should also be expected that a corporation: Sunset International Petroleum Development listed in *Poor's Register of Corporations, Directors and Executives* and *Moody's Industrial Manual* as having a 25 million to 30 million dollars annual sales range and 1,900,000 dollars profit in 1965 should not expect public assistance.

Please vote no on Sunset's plan.



*"Cozy, yes but the taxes he pays,
are not for the birds"*



Dr. Irene Hickman
Assessor, Sacramento County

It has been said that a stone dropped in a puddle will cause ripples to spread wide and far.

Some months ago, a big rock was dropped in Sacramento-pond, and it's still making waves.

Briefly summarizing, Dr. Irene Hickman, Sacramento director of Statewide Homeowners, was elected assessor of Sacramento County in the June 1966 primary election. Less than three months later, following the death in office of the incumbent assessor, Richard Blechschmidt, Dr. Hickman was appointed to the office for the remainder of the term, and Sacramento has never looked quite the same since.

Shortly after her appointment, Dr. Hickman was being interviewed by a reporter, and casually mentioned that she would be assessing all properties at 100 percent, as provided for by the California Constitution. The mention was casual, because she had been saying this repeatedly during her campaign.

Apparently no one had been listening, and the reporter picked up the remark, expanded it into a full sized article, and it ran under headlines that touched off violent

Report from Sacramento

by Meghan Taylor

emotions in Sacramento like sparks in dry grass.

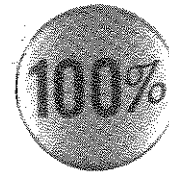
There was talk of a recall. The then-Governor threatened a special session of the legislature. The Board of Equalization threatened a restraining order. And people who joked with her about the possibility of an assassination weren't sure it was all that funny.

The animosity that blossomed under the warm rain of irresponsible accusation and inaccurate contentions was not really a laughing matter.

A great deal of the misunderstanding came about when elected officials made statements that this change in assessment would boost taxes four times, that it would cause financial chaos, that people would lose their homes, that industry would desert Sacramento, and those considering moving here would be frightened away.

Newspaper stories never seem to get at the real point of the idea, and she made most of her converts, initially, by making speeches, whenever and wherever she was asked. People, to their pleased surprise, found they were going along with her when they realized what she had in mind.

Now they have a chance to really make their acceptance public.



A decorous gold button emblazoned with a blue "100", made its appearance in Dr. Hickman's office, and suddenly, everyone is wearing them. And like salted peanuts, it seems, no one can take just one. They have to have one for the wife, or a friend, or a group of friends.

Indicative of the response to the buttons ... the first 2,000 she ordered disappeared like the snows in March, and she ordered another 10,000. Unlike a fad, which disappears in a short time, these buttons are still in great demand, many shopkeepers displaying a box of them for their patrons.

Of course, the underlying significance is that the response is not to the buttons per se, but to the policy which it represents.

The Board of Supervisors is preparing a suit now, to be heard before the Supreme Court, which would prevent Dr. Hickman from assessing at her announced rate.

"This is the first suit of its kind," she said whimsically. They haven't been faced with the necessity of preventing an assessor from trying to carry out the law before."

The flurry of her announced 100 percent intentions had not quite died down when a reporter asked her what she would do if she were in fact prevented from assessing at that ratio. "Well," she said thoughtfully, "I might assess at 20 percent ... as I am permitted by AB80. It might show people that by comparison, 100% isn't so bad after all."

What would this accomplish?

"For one thing, a greater number of veterans would suddenly be eligible for exemptions, which are based not on actual value of property owned, but on assessed valuation.

"It would make a greater number of people eligible for welfare checks, when the criteria for eligibility is the assessed value of the person's home.

"School districts, who like being poor, because that means more money from the State, would find themselves very poor indeed."

The storm broke again.

A bill was introduced into the legislature which would prevent her from assessing at 20 percent. It was co-authored by Assemblyman LeRoy Greene and Senator Albert Rodda. Greene was noted just a few years ago for his desire to raise revenue in the state by means of a legal lottery. Rodda is a teacher of economics at Sacramento State College.

During a television interview, Dr. Hickman admitted, "I am saying these things to dramatize the ridiculous tax laws we now have. It is not 100% assessment which is wrong ... it is the related laws which are based on a fractional assessment system.

"We are forced to pretend that a \$20,000

house is worth only \$5,000. We are forced to pretend that when a veteran puts down \$250 closing costs, he really owns a \$20,000 home. Well, he doesn't.

"We should be able to stop pretending that things are what they are not.

"Let's obey the law, or change the law, but let's stop winking at the law."

Making two and three speeches a day, often, Dr. Hickman is finding that the more people understand of what she is doing, the more they declare themselves to be with her. She is even finding many invitations from schools and colleges, with interested students asking evocative questions.

And when she is featured speaker at a group, there is generally a rise in attendance from 20 to 50 percent.

Governor Ronald Reagan has asked that 10 percent be lopped off everything this year, and the State tries to comply, even to baking a birthday cake for him, with 10 percent missing.

But there is no indication from the Hickman camp that assessments will drop to 90 percent.

Notice

As of this writing, the suit against Dr. Hickman has still not been filed, leading some to believe their case may not be as strong as they believe. It may not be filed at all.

IT'S NEVER TOO LATE DEPARTMENT

A very comprehensive "Revision of the California Revenue System to effect a reduction in Property Taxes and a limit on Governmental Expenditures" was introduced to the Legislature by State Controller Ray L. Riley and Fred E. Stewart, member of the State Board of Equalization and Director of the Tax Research Bureau.

The year was 1933 and California was struggling to recover from the Great Depression. It was a year of taxpayers' strikes, enormous tax delinquencies, organized debtors, marches on Washington, a time of unrest similar in many ways to the present.

This proposal would have imposed a limit on governmental growth to the extent that no agency, State, district or municipal, would have been allowed more than 5 per cent growth per year. The State itself would not have been

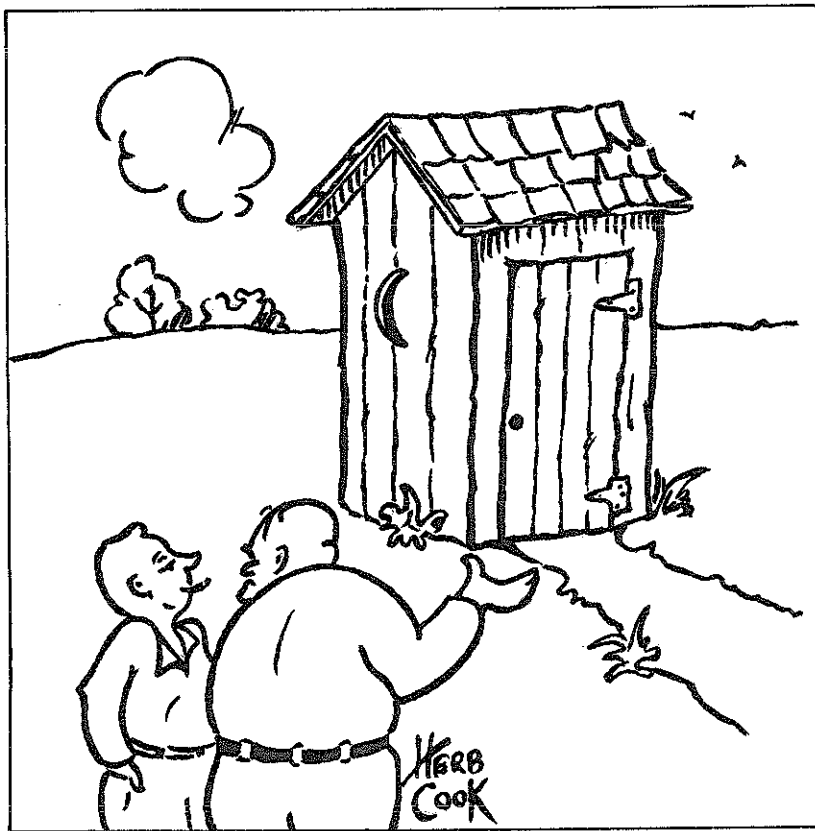
allowed more than 5 per cent over a two year period unless two-thirds of the Legislature voted in favor thereof.

The Riley-Stewart plan also called for equalization of the property tax and for all property to be assessed at FULL CASH VALUE. It called for consolidation of assessment and collection of taxes by the State Board of Equalization. It also would have subjected all school costs to budgetary control.

This plan also would have instituted a transaction tax similar to the one used in Hawaii. (Calif. Homeowner, April 1965).

In discussing the need for assessing at Full Cash Value, the authors of the plan stated "Nothing would happen by this change to 100 per cent assessment for the reason that we are not dealing in tax rates but in a limitation of expended tax dollars. That is important

for under the PRESENT SYSTEM, IT IS ALMOST IMPOSSIBLE TO SUCCESSFULLY COMPUTE AN ASSESSMENT MADE BY THE COUNTY ASSESSOR WHEN HE HABITUALLY EMPLOYS A PERCENTAGE FACTOR IN PREPARING HIS ASSESSMENT ROLLS. AS A RESULT, TREMENDOUS INEQUALITIES OF ASSESSMENT ARE ALWAYS PREVALENT AND ANYTHING LESS THAN AN ASSESSMENT BASED UPON FULL CASH VALUE IS DECEPTIVE AND NOT CONDUCTIVE TO THE DEVELOPMENT OF CONFIDENCE IN THE PUBLIC OFFICER WHO IS CHARGED WITH THAT DUTY!



"Can't keep it up much longer, though, Taxes go up EVERY year."

LETTERS

We in SPUR are very pleased to be recognized by the Statewide Homeowners Association of California, Inc. We are particularly pleased because frequently neighborhood projects do not receive much attention even though we believe they are extremely important to the welfare of the community.

Sincerely

Mortimer Fleishhacker, Jr.
President

#

Please send me your magazine at my San Francisco address instead of the State Capitol. It's good reading.

Sydney Kossen
Political Writer

#

Weep and you weep along with all the other taxpayers. Smile and folks think you are tricky. We pay a tax on the lumber we buy to build a home and we pay a tax year after year, when it is put together. Someday, they may even tax us for hoping our tax woes will be eased.

Are we represented or are we resented? If the citizens could vote on various foreign loans, many of them would be ended. The taxes, not the citizens! That would help lower our taxes. A waste of government money may be traced to over-buying building material, office supplies, machinery and all kinds of war materials. This is due, in part, to young and inexperienced purchasing agent helpers. Some of it, no doubt, is the result of, "You help me and I will return the favor." Otherwise, how come all those generals and admirals are working for the big aircraft and electronics firms which supply the Army, Navy and Air Force?

My property in Arizona is surrounded by beautiful red rock mountains. When I tried to get my taxes lowered a bit, the assessor said, "But look at the magnificent scenery you have." My answer was, "The Supreme Being put that there, long before you were created; you, or the government had nothing to do with it" To date, my taxes have not been lowered. So, because I happened to buy a little house amongst some red rocks, my taxes are higher! Okay assessor, now I've seen the view, how many times do I have to pay for it?

You and your co-workers are to be congratulated for your untiring efforts to bring such an important message to the taxpayers of California and the nation. May you continue the good work and we hope our government officials will realize that the people are intelligent and wide awake and won't hold still for excessive taxation forever.

Herb Cook, Sedona, Arizona

#

We have just received the September Issue of your magazine, which we subscribed to thinking it was intended to contain intelligent articles of some value to homeowners regarding real estate and tax problems, and not a means for smearing individuals, such as your 3 page article "Button, Button" by Wilbur E. Pereira regarding some members of the Alessio family.

It is sad the article failed to mention any of the fine, generous things Mr. John Alessio has done both sides of the border, also the huge number of people who receive employment from these various successful enterprises.

Kindly remove our name from your mailing list.

Mr. & Mrs. Elmer Muhl

cc: Mr. John Alessio

#

In reply to your letter of August 21 addressed to the California Homeowner Magazine,

and of which you sent a copy to me, I was at a complete loss on the type of article that Mr. Wilbur E. Pereira wrote. I can only hope that some time he will have the courtesy to come to visit me and listen to the other side of the of the story. I just cannot understand why with this world so turned around, where so many good things can be done, they should write these articles just to be writing something.

At least I can say I have had many important articles written on my behalf by large magazines. Maybe when he comes to see me I can ask him if he knew that also. Of course, he has his rights to do whatever he wants, but I always say there are two sides to a story.

Very sincerely yours,

John S. Alessio
Chairman of the Board

cc: Michele Hamilton Greenhill, Editor
California Homeowner Magazine.

#

A copy of your article "The Big Water Giveaway" has been forwarded to me, and I would like to comment on those points that pertain to the Kern County Land Company.

First of all, the mere fact that you mention the company prominently in an article entitled, "The Big Water Giveaway" is grossly misleading and unfair.

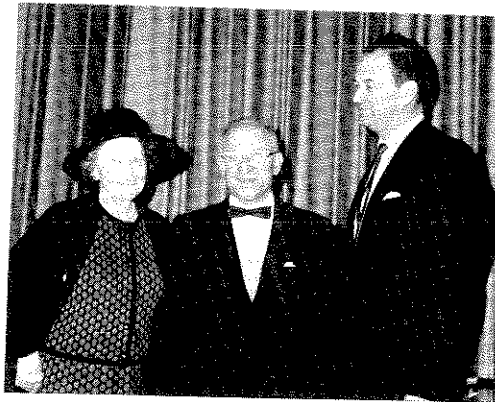
The figure which you quote for our ownership in California of 348,026 acres seems to be the same on that George Ballis has been using for several years and is in error, as are some of the other figures for the other companies. To set our part of the record straight, KCL owns about 400,000 acres in California, the bulk of which is waste land or land used for grazing. 120,000 acres is irrigated, and of this all but 10,000 acres is leased to some 350 farmers. This land, if divided among the stockholders, would give each shareowner

about 6 acres.

You also allude to land monopoly, which I do not believe exists in California. The large ownerships in Kern County, for example, do not preclude any interested person from purchasing any amount of land of the highest quality in the County. The situation to me seems quite different from certain South American countries where there are but limited quantities of high-grade land not freely offered for sale.

Very truly yours,

Wm. Hunt Conrad
Manager-Industry Affairs



Nellie Parr Moskey, who is one of the few people to regularly attend meetings of the Board of Education, discusses the reasons why everyone should pay more attention to these matters with Immanuel Day and John Nagy (right) at a meeting of the Silverlake Homeowners Association.

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