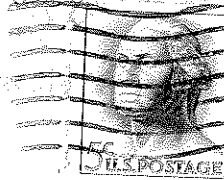


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**California Homeowners Magazine  
Volume 5 No. 3 Sept. 1966**

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San Francisco Office  
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# PROPERTY TAX REFORM FOR 1967

By PAUL BURKHART

The 1967 session of the California Legislature faces a challenge that may prove to be the most crucial in all its history. The California economy has been living off the fat carried over from the WW II years and the lush post war years between WW II and the Korean War. The conflict in Korea managed to hold up the economy which was beginning to sag. At no time since WW II has the economy been such that the State could have stood on its own two feet without tremendous amounts of Federal help in forms such as defense contracts, military establishments and federally supported projects.

While the administration is boasting of high employment figures the California unemployment figures for July were still 28% higher than the national average.

The 1967 Legislature will need to give serious thought to find ways to attract industry to California. It should be pointed out that the industry mentioned is private industry, not defense oriented industry.

It is regrettable that even though the basic cause of the Watts situation is unemployment, the leadership in California refuses to recognize that unemployment is the problem. What is the answer to unemployment? JOBS! How can we attract JOBS? By permitting industry to make more profit here than they can make elsewhere. That's the good old Free Enterprise System. California has much to offer industry, (1) the most populated state, (2) the ideal climate, (3) 1000 mile coast line affording numerous ports and harbors for trade and industry, (4) a growing population, (5) recreation, (6) available labor force, (7) less corporate taxes to the state budget than most industrial states, (8) good roads and highways, (9) outstanding educational facilities but, we also have (10) unbearable local property taxes.

There is no doubt that industry finds nine of the ten points listed very desirable, but the

10th point prohibits them from locating in California. It's a simple matter to suggest that we eliminate the burdensome property taxes on industry, but then the problem is where do we collect the revenue now collected from industry? The 1965 Legislature made a half hearted attempt with AB2270, the Unruh-Petris tax reform measure. True, inventories would have gotten off the hook, but the measure, while decreasing property taxes by \$670 million would have increased state taxes \$1,125 million. Homeowners and renters would have been particularly hard hit with increases in sales taxes, cigarette taxes, income taxes and a new tax on utilities. The average homeowner would have had an increase in overall taxes of about \$100.00 per year, with no lasting reduction in property taxes.

## DECAYING CORE AREAS ARE COSTLY

Another area that should cause serious concern for the 1967 Legislature is the sprawl conditions surrounding every metropolitan community of the state. Many writers refer to these areas as slums, concrete jungles or old towns. Some cities have tried to reverse the trend by turning to federal urban renewal. Those projects have generally been considered dismal failures. In few cases have the basic problem been solved by federal urban renewal. The property owner is convinced that he was robbed and deprived of property rights. The housing situation was not solved for the slum dweller. The tenants must move into other more crowded slums because the dwellings built are often too plush for the displaced tenants.

[Some cities have undertaken projects which have been privately financed by the property owners themselves and with the drive and support of the Chamber of Commerce and other similar groups. While these private projects have been successful as far as they go, the immediate areas surrounding them are still and

always will be of an undesirable nature.]

The real problem of course is that the structure of our property tax puts an additional burden on property that is improved, while property allowed to become shabby, filthy or generally run down enjoys a much lower tax bill. Homeowners particularly become annoyed when a higher tax bill results from adding a bath room, or converting the garage to a family room, or from putting up a fence. If he should put in a swimming pool the increased taxes are staggering. Why is it that our taxes penalize those who promote what is socially desirable and subsidize, reward and encourage what is socially bad? Surely the Legislature can come up with some answer that is reasonable.

The cost to government due to this reverse incentive is tremendous. Because of the low taxes on run down property on our Main Streets, there is no motivation to improve the property or sell the property to developers who would. The profit motive dictates holding on to the property till some pie in the sky price can be realized. This attitude causes developers to move out into the suburbs with high-rise apartments, condominiums and sub-divisions. As these developments are extended farther and farther out, services must also be extended, causing higher budgets and, of course, higher taxes.

Recently when high-rise was turned down in La Jolla the attorney for the developer charged that by turning down the high-rise zone, the City Council cost his clients \$1 million. What he should have said was that the City Council, by turning him down, did not give his clients \$1 million. Developers are likewise trying desperately to put high-rise into the Santa Monica Mountains. Any planner or architect would tell them that the best place for high-rise is still in the core area. In Los Angeles the place for such development is near the Music Center, the Hall of Administration, the Hall of Justice, the City Hall, the many banks and office buildings. Many of these sites are vacant lots held for speculation and paying meager taxes. In San Diego the high-rise should be going opposite Balboa Park in walking distance to the community concourse and the

whole downtown area, not on the La Jolla shores where it is miles from anywhere. The inability of California communities to confine high density development to core areas, and adequately to preserve and improve open lands can clearly be traced to a local property tax structure which not only discourages highest and best use of valuable city center sites, but turns the profit motive toward no use or poor use.

## DISAPPEARING FARMS

To hell with the farmers seems to be the by-word of Assessors and County Supervisors, and the Legislature by doing nothing, is in effect, saying, 'Amen'.

It must be clear to every Legislator, and every man in the Administration that a farmer can no longer expect his children to take over the farm after he goes. In fact, a farmer will be lucky if he isn't driven off his farm in just a few more years. Many have already been driven off in the past few years. The 1967 Legislature will need to look long and hard at the farmers future, especially since the State Senate will have an urban face instead of the rural face it has had for many many years. The problem is high property taxes, caused by high prices paid for farm land by city folks better known as land speculators.

The rural land speculator is a cousin to the city land speculator. In California our tax structure subsidizes both of them as well as their 'uncles' better known as slumlords. To illustrate how the situation comes about, would you believe an acre of oranges in Orange County sells for \$35,000 per acre? Can you imagine a farmer paying that much to grow oranges for a living? Certainly not! A land speculator will pay \$35,000.00 per acre, and a school district can pay that but not a farmer. But, would you believe that a farmer pays property taxes based on those values? Well, he does. You see that is now the market value. Just like \$3,000.00 per acre is the market value for grapes worth \$800.00 per acre to a farmer, and \$2,000.00 per acre is the market value of grazing land which is worth \$50. per acre to the cattleman.

## FARMERS WON THE FIGHT IN 1909

What can the new Legislature do to save the farm land for the farmer? The Legislature faced a similar problem in 1909 when land speculators moved in as irrigation districts made water available to the arid central valley. The Wright Act, which was the enabling legislation for forming irrigation districts called for taxes on land and improvements. Naturally, as farmers planted trees, vines, bushes and built homes and barns, etc., their taxes increased because of the tax on improvements. Land speculators in the meantime did not improve their holdings so their taxes not only remained low, but were reduced each year because the rates were lowered as the tax base was increased by farmers who added improvements. In 1909 the farmers rebelled, and the Legislature removed the tax on improvements which left the taxes for irrigation districts on land only. With these revolutionary developments the land speculators had to pay the same taxes on vacant land as farmers were paying on improved land. The taxes became too high on land to hold for speculation and land prices came down to what farmers would pay, which in turn brought about the formation of many more irrigation districts. To this day, they tax land only in these districts.

## TAX THE LAND ONLY

What effect would taxing land-only have on homeowners? Since 65% of the population are homeowners a Legislator from a metropolitan area would be wise to consider the effect on them. There's no doubt that every vacant lot would pay more taxes. In fact, a vacant lot would pay the same taxes for the weeds and trash on it as if there was a house on it. I don't think homeowners would mind that. It may even remove what many homeowners consider an eyesore.

## HOMEOWNERS WOULD PAY LESS TAXES

Surveys show that homeowners would do very well with taxes on land only, since there would be no taxes on their homes. And there would be no increase in taxes if they added a bathroom, or converted the garage or installed

a swimming pool. They would all pay more taxes on land since the amount of revenue would remain the same, but the increased taxes on the land would not be sufficient to equal what a homeowner now pays on land, improvements and personal property. Since homeowners would benefit, what else must a Legislator consider in weighing the pros and the cons of taxing land-only?

## INDUSTRY WOULD BENEFIT

Since all metropolitan areas are dependent upon industry, commerce and trade, a Legislator must seriously consider how a tax on land-only would effect a man in business or industry. Nothing could be worse for business than what we now have. A tax on land-only would be a blessing to every businessman in California.

The warehousing boom in Arizona, Nevada and other nearby states are certainly accredited to the 19 million plus consumers in California and our \$3.6 billion agricultural production. Why aren't the warehouses located in California? If inventories, machinery and equipment were not taxed, there would be no reason to warehouse in nearby states. And it would no longer cost less to manufacture in Pennsylvania, New York or any other state. Many of the states that tax personal property are very lenient towards industries and businesses. They are more concerned about a pay-roll on Friday than a heavy tax bill on personal property. There is no doubt that business and industry would benefit from a local property tax structure which would collect all property taxes from the value of the land-only.

## SLUMOWNERS AND LAND SPECULATORS WOULD PAY MORE TAXES

There isn't a program or system in existence that would be good for everybody. If taxing land-only would reduce taxes for farmers, homeowners, apartment owners, industry and business, somebody is going to pay more. According to surveys on the effects of such a shift, all vacant lots would pay more taxes, farm-land held for speculation would pay more taxes and slums in and around city centers would pay more taxes. So, the only decision a Legislator really has to make regarding property taxes is,

"should our local property tax laws favor those who are promoting what is socially good and desirable for a community, or those who promote what is undesirable and socially bad for the community?"

If it is desirable to attract industry then let's not penalize industry with high taxes. If it is socially desirable for homeowners to improve their property let's not penalize them for doing so. If it is desirable for apartments and office buildings to have subsurface parking, let's not penalize them for providing same. If we really want greenbelts surrounding metropolitan areas, isn't it good policy to keep the land in farming instead of in the hands of speculators waiting for a fast buck? Then why do we have a tax structure which collects more taxes from a farmer than from a land speculator holding the same farm-land? By the same token, if slums are undesirable, why do we put up with a tax structure that would penalize that prop-

erty owner if he razed his slums and put up a respectable building? And if the thousands of vacant lots collecting trash and producing weeds are not in the best interest of a community, why do we allow a tax structure which subsidizes vacant lots with low taxes? Vacant lots are an eyesore besides being responsible for sprawl which tremendously increases the cost of providing services.

A legislator in 1967 must be aware of the need for a change in Property Taxation. The recent rise of the tax delinquency role is reaching an all time high. If the Property Tax Standard is not changed then many property owners of the State of California will be losing their property and their homes in the next few years. A land only property tax or derivative of this concept is one of the possible solutions to this urgent problem facing California and very properly should be considered in the 1967 sessions of the Legislature.

## "ABOUT THE AUTHOR"

*Paul Burkhart, a pharmaceutical sales executive, and candidate for State Senator in the San Fernando Valley's 22nd District, is seriously concerned about the economic problems of the San Fernando Valley and in the State of California.*

*A graduate of UCLA, and a member of many civic groups concerned with tax problems, Burkhart calls for alteration of the property tax structure. In this article he outlines an approach which is certainly worth consideration by the next session of the Legislature.*

*Mr. Burkhart's proposal would require an amendment to the Constitution, therefore, it would need a favorable vote in the general election of 1968. The proposal is not new to the Legislature but has thus far lacked proper leadership.*





*Pictured L to R are: Los Angeles City Mayor Yorty, Lady of Golden Age Senior Citizen and Paul Burkhardt discussing pressing property tax relief problems for the elderly at a recent meeting.*

## San Francisco Report

BY E. ROBERT SCROFANI

Dramatic changes have taken place in the tax field, in the year since California awoke to corruptness and skulduggery in the Assessor's office.

As a result of deaths, resignations or court indictment for bribery, major counties throughout the state now have new assessors.

New assessors now sit in Alameda, San Diego, San Francisco and San Mateo counties. Dr. Irene Hickman upset the incumbent assessor in Sacramento County. San Mateo and Alameda County have runoffs in their elections in November.

In San Francisco a well known Mission district lawyer and county Supervisor, Joseph Tinney was appointed Assessor after long-time Assessor Russell Wolden was indicted by a jury on 10 counts of bribery.

Tinney already has begun to shake up the office and to draw up some clear guide lines for administration of assessment practices.

Tinney plans to equalize taxes on business inventories, to raise grossly underassessed land, and to issue a list of repairs which a homeowner may make without fear of tax increase.

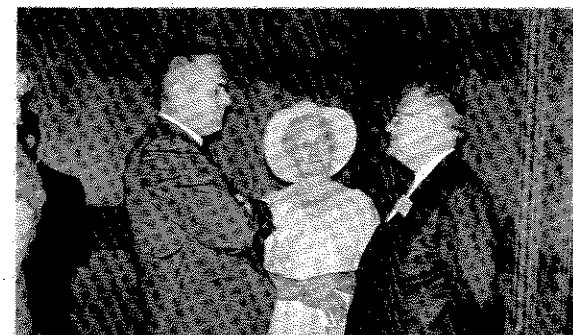
Tinney plans to equalize his rolls as required by a new law which resulted from the scandal. It sets a standard ratio (about 25%) for all classes of property. This will assure that everyone gets to pay his fair share.

At a luncheon honoring the new Assessor, SCRAPP, a committee for tax reform, presented media awards to Michael Harris, of the S.F. Chronicle; Dick Nolan of the Examiner; Louis Simon, of KPIX-TV; Lee Raschall of KGO Radio and Fred Martin of the Chamber of Commerce for outstanding contributions toward tax reform.

Now that sanity has been restored in tax administration under current laws, we can work toward further reforms which will encourage rehabilitation of our cities and preservation of our open spaces.



Luncheon for Irene Hickman-SCRAPP media awards for distinguished communication in interest of tax reform. L to R: Louis Simon, general manager of KPIX-TV, E. Robert Scrofani, Northern California Director of Statewide Homeowners, Lee Raschall, Editorial Director of KGO radio station, Joseph Tinney, San Francisco Assessor and Michael Harris, the man who broke the tax scandal for the San Francisco Chronicle.



E. F. Wanaka, Assessor, Contra Costa County; Irene Hickman, New Assessor, Sacramento County, and Robert Noonan, candidate on a reform ticket for assessor in San Mateo County.



Robert Tideman, Executive Secretary, San Francisco Henry George School with Joseph Tinney, newly appointed assessor of San Francisco.

## Book Review

### BUT WHAT ABOUT THE PEOPLE?

BY TERRY SANFORD  
Harper and Row

The former Governor of North Carolina tells the story of the impressive gains made in the educational system of the state during his administration.

Sanford dared to run—and was elected—on a platform of better education with the resulting higher taxes. Proving that a bitter pill can be swallowed if we are sure it is good for us, Sanford pointed out the shortcoming of the school system and told the people bluntly that only higher taxes would pay for needed improvements. Enlisting the aid of women, who were naturally concerned with the education of their children, the future governor was able to build a campaign organization that covered every voter in the state.

After the election, the Governor put into action the legislation needed to deliver his campaign promises for better education. It took a bitter legislative battle to convince the "hold-the-line" politicians that the legislation must pass, but it did. The tax was not popular after it passed, (it was mostly increased sales tax) but the PTA and the people who believed in better schools supported it. With the increased revenues and additional appropriations the school system was upgraded at every level. North Carolina jumped from 39th place to 32nd in average salary of classroom teachers and expenditure per pupil moved up from 45th to 38th place.

One of the most interesting ideas was the incorporation of a private and nonprofit organization to break the cycle of poverty. Long before the Federal government took action on this problem, the "North Carolina Fund" had started trying to reach the disadvantaged children to get them out of the patterns they inherited from poor or ignorant or disadvantaged parents. All aspects of the cycle of poverty were attacked, from planned parenthood, prenatal care, home nursing, instruction for pre-school children, and instruction in health and hygiene for all age groups.

They even had a Peace Corps in their "North Carolina Volunteers" with 100 college students who were paid \$22.50 a week and their keep to help in the work with the poor.

North Carolina was fortunate to find a leader who saw the problem and was willing to fight through to some solutions. Anyone interested in education will find the methods of upgrading the entire school system fascinating. Those interested in how it was financed will also find it of benefit. Whether this would work in other states is doubtful because of the fact that North Carolina is one of the few states which has a state operated school system.

During the days of the "Great Depression" the North Carolina school boards were unable to support their schools and went into debt heavily, some could not meet their payrolls and all found themselves in jeopardy. The Governor at that time, J. C. B. Ehringhaus, insisted on a state sales tax, the first in the nation, and the school support was taken over by the state. The state pays operating expenses, principally teachers salaries and the counties retained responsibility for building costs and maintenance. Counties were permitted and encouraged to provide additional teachers supplements through local taxes.

There are strong pressures from many levels to change the local and state practices in support and management of schools. Federal concern stems from the idea that education is the engine that drives democracy. Proposals have included supporting schools on the Federal level; of consolidation of city and county governments and school districts into one taxing unit, collected by the state and returned to the local districts; of more support from the state and of more consolidation of schools. That there is a need for improving quality and financing of schools is proven. How to do it is a matter for extensive study.

### BAREFOOT TAXPAYER

Blessings on thee, little man,  
Barefoot boy with cheeks of  
tan,  
Trudging down a dusty lane  
With not thought of future  
pain;  
You're our one and only bet

To absorb the national debt.  
Little man, with cares so few,  
We've a lot of faith in you;  
Have your fun now while  
you can,  
You may be a barefoot man!



### Hickman Elected Assessor

Dr. Irene Hickman, Sacramento's vibrant area director of Statewide Homeowners, won a smashing victory in the assessor race in Sacramento county, and was also credited with winning the auditor-controller race.

You will recall that Dr. Hickman sued the Board of Supervisors, the Assessor, and his bonding company last year for the return of monies which had been lost through underassessment.

When she appeared in court with the suit January 11, 1966, Dr. Hickman had examples of properties whose underassessment totalled more than a million dollars.

By the time the courtroom session was over, Dr. Hickman had become convinced herself that fighting a county official, particularly an elected one, was very difficult.

And of particular concern to her was the discovery that the Assessor, by virtue of the law, is beholden to no one.

Unless he is actively dis-

honest, he doesn't have to account to anyone. The Supervisors, it is true, can raise or lower assessments he has put on land, when it is protested by the taxpayer, but they don't have the time, staff nor inclination to go through a complete study of his operation.

As the judge, in discussing the case with Dr. Hickman's attorney, Bill West, mentioned, "If the taxpayers don't like the way they are being treated, they can always elect a new assessor." He was to be reminded of that statement.

Dr. Hickman saw that it would be the only way to get equalization of assessments, and began looking for someone who could run, and elected, would carry out equalization. To her dismay, she found she was the only one with all the qualifications, and the intent.

It was a decision of no small moment. She had a practice she likes, to which she could devote as much or as little time as she likes, and there is a husband and son at home.

She never wanted to be in politics, nor did she want to be assessor.

But when there was no other way, she buckled down and started to fight. From the first, there was no thought in her mind except that she must win the election.

There was an army of women, men, too, but women particularly . . . who helped. Children even got into the act.

Anyone who was aware that he was being taxed to the maximum, and the man with the lot full of weeds next to him was given a tax break, was on her bandwagon. And telling neighbors. Or his neighbors. Or their neighbors.

The press was most cooperative . . . most of the reporters were homeowners, and her name was in the newspapers almost daily, sometimes two and three times a day in the same paper.

She talked to clubs, and made personal appearances, always stressing the same theme . . . "Your taxes are too high,

because you are paying taxes for someone else."

Charts she had made, copies of the Assessor's books, graphically depicted the inequities in the county, and people listened. For the most part with their mouths open in astonishment. They kept their mouths open to ask, "What can I do to help?"

Even with the flagrant inequities in Sacramento County, the race was very difficult because incumbent assessor Richard Blechschmidt had requested and got an investigation by the Grand Jury. They cleared him and his office, found no evidence of illegalities, and even commended him for the way in which his office was run. His publicity in this regard was great.

Following the election, however, June 28, a Grand Jury Committee began another investigation of the Assessor's office, this time to look into alleged inequities. The chairman of the committee had spent time with Dr. Hickman before the election to make the start.

A "sort of scandal" came up during the election, which hinged on the last Grand Jury's investigation of veterans claiming illegal exemptions, having too much money or property to qualify. There was some feeling in Dr. Hickman's camp that there might be some veterans in the Assessor's office on the list. As it turned out later, there had been two, but they had their names removed from the list of those claiming exemption prior to the submission of the list to the Grand Jury.

At any rate, the Grand Jury, who felt something should be done with the list of those they felt to be malefactors, tried to give the list to somebody. Anybody. But the assessor wouldn't accept it. The district attorney didn't want it. So because their "no" was weaker than anyone else's, the Supervisors got the list.

Constantly under pressure from the press to make any such list public, the Supervisors checked with their County Counsel, who told them not to release it.

It seemed to Dr. Hickman that everyone was stalling, and that the list would not be made public until after the election. This increased her suspicion that all was not as it should be. But every avenue seemed blocked of getting the list.

It never occurred to her that another public office other than the assessor's might be involved.

But a tip from a reporter who had seen the list provided the springboard. The name of the county auditor-controller was on the list.

Using this as a basis for a writ of mandate, Dr. Hickman's attorney demanded the list on the grounds that it should be known if any individual, elected or otherwise, who was running for office, might be on the list.

Fearing that publicity in this regard might be detrimental to Dr. Hickman, attorney Bill West picked her press secretary, Meghan Taylor, for the name of the plaintiff.

They went into court, and

the list was released. And the name of the auditor-controller was on it. Along with several city officials, who were not elected, nor running for election.

It was the type of 11th hour surprise that happens on television. The order for release of the list came the morning of June 6, the Monday before election day.

It was in all the newspapers, and all the radio stations, and all the television stations, just in time.

There was a lot of misunderstanding involved, in that people confused the auditor with the assessor. They were not sure what part if any the assessor played in the scandal.

About midnight Tuesday night, the lead in the Assessor's race went to Dr. Hickman and stayed there. But before it had swung, the auditor's race saw the incumbent doomed to defeat.

As she walked into the television studios, with her own count a few hundred behind, she was told, "At least you are winning the auditor-controller race," and she still carries the distinction, in Sacramento, of having won both races.

Winning her own race was different. Everyone knew it was the result of long months of campaigning, of three and four and five speeches a day, innumerable hours of talking and explaining the same things over and over.

It proves what a woman, and a homeowner, can do with determination, and a good cause.

## CALIFORNIA HOMEOWNER VIEWS UPHELD

Those of you who read the California Homeowner regularly know that we have been pointing to assessment irregularities for over three years. Now comes the Saturday Evening Post (Sept. 10 issue) with an article on the current assessment scandals which says, "In California the response to the scandals has been a thunderous silence... Although local taxes directly affect every voter in the state, neither party has raised the assessor affair as an issue in the state campaigns currently raging... 'three years ago, in fact, the State Board of Equalization stumbled onto extensive evidence that James Tooke's clients were getting massive favors from San Francisco assessor Wolden.'"

During all this time the Statewide Homeowners were releasing evidence from surveys which we had taken, proving these same con-

tentions, and the State Board of Equalization constantly denied there were any unequal assessments, plus all local assessors denied it then and still deny it.

Says the Post, "the built-in inequity of improvements taxes, especially the inventory tax, was a major factor in the widespread corruption."

The California Homeowner has been saying over and over that the present taxing methods in California are penalizing the businessman and small homeowner while rewarding the slum owner, the holder of parking and other downtown vacant lots and the large landholders.

How many more scandals will be brought to light before the voters and the party organizations demand and get some form of property tax reform?

### the small society

WE'RE FIGHTING  
IN VIETNAM FOR A  
VERY SIMPLE REASON-  
THE COMMUNISTS  
BELIEVE IN  
SETTLING THINGS  
BY FORCE, AND  
WE DON'T



7-20 BRICKMAN

## HOME OWNERS CAUGHT IN THE SQUEEZE

*California has long been run by speculators, for speculators and with many happy little speculators going along with the tide hoping to make their own little killing. Almost everyone in the state has bought a little plot of land and put it aside for his old age. The saying has been, "You can't go wrong buying land in California."*

*Based on projected population figures for 1980, it was predicted that Southern California would be one long Megalopolis and the area from San Francisco down the Peninsula the same. All this led to the most unparalleled building boom of all time. People who should not be building have been taking options on property, borrowing enough to put up an apt building and walking away with half of the finance money, leaving the lender and land owner to clean up the financial mess.*

The August 1966 issue of House and Home, a magazine published for the building trade, gives documented evidence as to why cities are in trouble, why the building boom has cost you the taxpayer millions of dollars and why Savings and Loan companies have been on the verge of bankruptcy, in California and elsewhere.

In an article titled "CALIFORNIA, Where Housing Ran Wild" and wrote a warning for the nation's builders. . . . House and Home states the current problems of overbuilding (California has 100,000 more vacant houses and apartments than are needed for normal market turnover) was caused by too much money, too easily obtained and too freely dispensed.

California has 204 state-chartered Savings and Loan Associations. Charters for these associations, which hold 67 per cent of the \$25.8 billion in Savings and Loan assets (loans) in the state, have been awarded through political favoritism,

rather than to those with sound banking and financial backgrounds. Savings and Loan Associations peddle their paper, (mortgages, trust deeds) to the San Francisco Home Loan Bank, which is a branch of the Federal Home Loan Bank Board in Washington. This Board froze advances for speculative building in April of this year, but the amounts pumped into California continued to rise because the Savings and Loan Associations were in trouble and needed the money to meet withdrawals.

Savings and Loan Associations which have weathered the current storm by merging with others, Van Nuys S & L with Equitable in Long Beach; Arrowhead S&L of San Bernardino into Home S&L; Charter S&L of Bellflower into Belmont S&L of Long Beach; Corona S&L into Southwest S&L of Inglewood.

The 204 State-chartered savings and loan associations had \$350 million worth of re-

possessions March 31.

FHA homes have troubles too, the agency repossesses 265 homes a month and only manages to sell 245. Its statewide inventory of unsold units remained above 4,200 for the first 4 months of 1966.

What does all this do to the tax bill on the average home?

1. High Costs. The more land prices are artificially inflated, the more your assessment goes up. The price of a \$22,000 house breaks down like this, \$6,000 improved lot, \$8,000 materials labor, \$4,000 and financing, overhead, sales costs and profit \$4,000. So, when your house is assessed at \$25,000 instead of \$22,000 you are paying this much because other people are speculating in land, not because labor and materials and other replacement costs are so high.
2. Taxes from city and county and schools. Spread out cities are costly. When the city or county or school has to go

40 miles out to give services to a sub-division it costs twice as much as the same services in town. Don't forget, the city or county is furnishing sewers and water and streets and trash pick-up to the miles of unused or underused land between the subdivision and the point of origin of these services. Any unit which is enlarged costs more, whether it be a school system or a sewer. You are paying the bills for the extension of these services.

3. Cities favorite expression is that annexing these outlying areas "adds to the tax base" and the city will receive more back than it spends. This is not true. On just one subdivision a group of homeowners added up the costs of services at a most conservative estimate and

the assessments and taxes which this subdivision would pay. It would be 33 YEARS before the services were repaid in tax monies. This *did not* include maintaining schools!

4. With the move to the suburbs came the decay of the heart of the city. Our upside down tax system rewards those who maintain a slum, penalize those who fix up their property. Slums are taxed very low, thus are very profitable. Rather than Federal Urban Renewal, wouldn't it be more sensible to take the profit out of slums? Has anyone made a study of how much welfare and anti-poverty funds goes into the pockets of absentee slum landlords? (50 per cent of your tax money goes to welfare.)

**The poor and the wealthy sleep side by side in the cities; the middle classes run back and forth to suburbia. The only trouble with the arrangement is that the cities are being strangled in ribbons of concrete and choked by automobiles. For most Americans, the really dramatic challenge of the twentieth century is not how to establish a colony on Mars but how to find a parking place downtown; the threat that hangs over us is not instant annihilation by the atom but slow strangulation by the auto. . . . Andrew Schiller in Harper's.**

## A Note of Interest

About 25 million families and individuals now pay both a federal and a State income tax, plus cities are climbing on the income bandwagon with city imposed individual income tax. 1,909 cities and other local units tax at graduated rates of from 0.5 per cent to New York City with 2 per cent.

The Advisory Commission on Inter-governmental relations, a fiscal-research council set up by Congress, has now urged Congress to let the Internal Revenue Service collect all taxes together, Federal and State, and possibly, city. Bills to permit this have been entered by high-ranking members of the Congress.

This is supposed to save money and make it easier to pay. This may work in theory, but has never worked in practice.





Dear Taxpayer:

You have just received your new assessment on your property, and your taxes are taking a big jump. Before you take a gun and run down to the tax assessor's office, stop and take a look at yourself in the mirror. Because you, yourself are the one who raised the taxes.

Your taxes are not raised by the mailing of tax notices. They are raised every April or November when you step into your voting booth and mark your ballot. They are raised because you read articles that affect the taxes, and do not take the time to get more information. They are raised because you may get enough information to know that something is wrong, but refuse to get involved. Taxes will get higher as long as you refuse to do anything about it.

The law of California provides that the people have a right to demand legislation, by use of the initiative petition. You have the right to reject a law by use of the referendum. You also have a legal right to recall elected officials who have decided that they are a law unto themselves, and demonstrate that they have no intention of representing the wishes of the people. You also have the right to organize and publicly protest the actions of any governing body or conditions that affect you personally or your property.

You the people have the right to protest graft, tax gouging, confiscation of property, and harassment. But as long as you don't want to get involved, you may have to put up with all four.

You are the one who raised your own taxes. Do something about it. Don't vote for tax gougers. Don't vote for high taxes. Get the correct information, and don't fall for political propaganda. Organize and protest to the people who spend your money, and who will continue to spend it as long as you don't want to get involved in putting the pressure where it belongs. Don't go barking up the wrong tree. The tax assessor is not the one who raised your taxes. He is only concerned with getting in the money that you, and the people that you put in office vote to spend.

KORIN GODDARD  
MAYWOOD

## LABOR DEPT. AIDS APARTMENT OWNERS

The U.S. Department Of Labor has recently signed a contract with the Los Angeles Domestic Sanitation Attendant Council under the provisions of the Manpower Development and Training Act (MDTA) for the sum of \$75,000.00. This money is earmarked for the training of unskilled personnel in the various domestic fields and a direct result of this is a plentiful supply of trained labor for apartment maintenance.

"Americans should stop thinking of housekeeping and apartment cleaning as unskilled jobs," Patrick D. Burke, U.S. Department of Labor, Program Development Specialist recently stated at a Household Service Forum. He went on to say that today's apartment house cleaning is a complicated procedure that requires both ability and skill to be done efficiently.

One of the problems facing apartment house owners has been the lack of professional pride and the feeling that housecleaning was menial work and as a result of this the employer had to constantly supervise his help. Today, with this new training program, the individual learns new methods, different cleaning materials, how to operate heavy equipment plus the value of time costs. He is in a semi-professional field and an "expert" at his work.

Mr. Burke told his forum that in Japan for instance, a Japanese banker told him his bank retains a staff of emergency household workers to go to a worker's home when a man's wife was ill. His company found that the men would stay home when their wives were sick, resulting in a loss of man hours. The bank found it to be more efficient to supply help for the woman at home. Industry has a big part to play in the upgrading of domestic workers.

Mr. Douglas S. Mayer, Project Director and Administrator for the Los Angeles Domestic Training Program stated that with the problems facing the hard core employed and the minority groups, this program would bring efficient, trained people into a field crying for capable help. It would return the pride of being a craftsman back to the individual and take the "hit or miss" system out of domestic cleaning.

As a result of this new labor supply many large companies are grabbing the people up as fast as they graduate. One such company, known as "Maidpower" has a fleet of maintenance trucks that carry their employees direct to the job. Maidpower provides trained and bonded men and women that are driven to an apartment, assigned their duties, are strictly responsible to only their supervisor and when that job is completed, they are then taken on to the next one. The supervisor is in turn responsible to the apartment house owner. The apartment house owner may hire them on a full or fractionalized time basis, and tenants may also avail themselves of this service. Thus an employee of Maidpower may spend two hours a week cleaning each apartment for a certain set fee as well as handling the owner's vacant apartments and whatever else he needs done. Satisfaction is guaranteed, and the apartment house owner is relieved of the responsibility of shopping in the casual labor market for part time help of a caliber that is hard to find.

Mr. Douglas S. Mayer, Project Director, feels that this is the type of program this area has been sorely in need of and it is of such a nature that it benefits employer and employee both. Previously the domestic cleaning attendant has been mainly employed by big business, now the apartment house industry can profit by programs big business has taken years to develop, and that thanks to the U.S. Department of Labor, are now available to anyone who can qualify.

# Los Angeles Report

BY MICHELE HAMILTON

## TAX REVOLT

### The Second Time Around

Most of the meetings of the tax protesters are too late for this issue of the magazine, but we have a desk littered with petitions, notices of meetings, notices of protest and so on. The Beverly-Wilshire Homes Association wants to organize an EXECUTIVE COUNCIL representing all associations in Los Angeles County.

The Northeast Property Owners Association wants to place a ceiling on the property tax. (Mike Rubino is aiding this association.) The Property Holders Club of California wants to organize a statewide homeowners association. (We already did that.) The Venice Property Owners are organizing a large meeting to discuss tax problems.

In February of 1965 the California Homeowner chronicled the doings of Mike Rubino and the Alhambra tax protesters, William O'Connor and the Santa Monica tax protesters, the Glendale group, Taxation and many more. At that time it was decided to coordinate a massive tax protest against the county tax budget. (This was because the groups were from all over the county, not just the city of Los Angeles.)

At the June budget hearings in 1965 there were six days of hearings and some of the groups made well studied protests. We can't point to any saving of tax dollars as a result, but at least the voters were heard. The politicians rely on the voters to have short memories so it is well to show them that we are watching. The politicians nowadays paraphrase Lincoln, "You can fool some of the people all of the time and all of the people some of the time, and those are damned good odds."

We sincerely hope the current crop of tax protesters will really work together, try to understand what caused the problems and vote out the people who caused them. It is not enough to protest the result, you must understand the cause. The Statewide Homeowners will have classes in basic economics and tax problems starting in September. If you would like to know more about financing local government, call and enroll at our Los Angeles office.



Leona Magidson, hard-working secretary of the Beverly Wilshire Homeowners Association which has called for a cooperative association of all homeowner groups in the Los Angeles area.

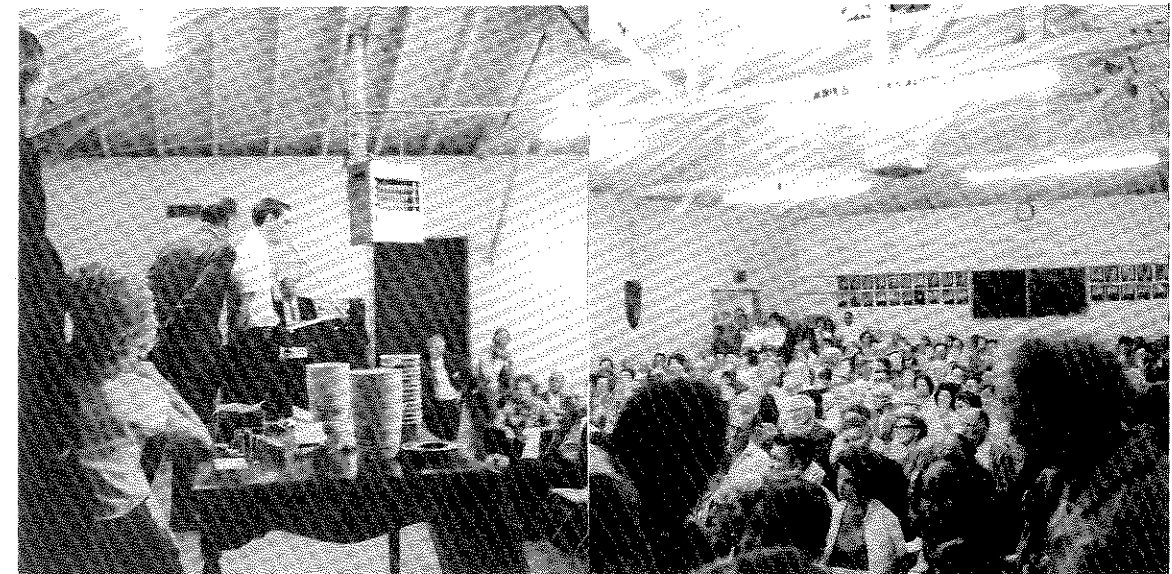
**TRUTH IN LENDING.** The Consumer Protection Act passed by Nova Scotia's legislature last April is the first truth-in-lending law in North America. The law calls for full disclosure of interest rates in terms of dollars and cents and in percentages. Where the lender is also a seller the percentages must be stated as a true annual rate on the unpaid balance. Lenders' advertisements must include full details of interest charges and costs expressed as an annual percentage rate. If Nova Scotia can do it, why not the rest of North America?



San Fernando Valley Tax Protest group heads, Harry and Doris Crown discuss problems of government finance with Sidney Evans of San Diego and Irene Hickman, newly elected assessor of Sacramento, at a meeting in Los Angeles.



Sacramento takes note of Tax Protestors with hearing held in Los Angeles by Petris Revenue and Taxation Committee on assessment practices. L to R Assemblyman Vincent Thomas, Frank Lanterman, Charles E. Chapel, David Doer, Legislative Assistant to Nicholas Petris.



A meeting of the Northeast Taxpayers Association in Eagle Rock. Elinor Duffy at the table with all the donations, Leonard Orr, President of the Association speaking with Mike Rubino standing by to answer additional questions. At least one hundred people were in the street, and the crowd jammed every inch of the meeting hall, all property owners irate about their taxes.

# SCA-4?

SENATOR FRED S. FARR of Monterey has introduced SCA 4, a bill which "declares it is in best interest of state to conserve open space lands for purposes of production of food and fiber and for conservation of natural resources and scenic beauty and further declares that assessment practices be so designed as to accomplish such purposes."

The intent of SCA-4 has merit, and the objectives are good, but the measure does nothing to help the present problem, nor will it solve the ever increasing problems of the years ahead.

It is no secret that the real problem is the sprawling development without thought for the future that is going on throughout the state. If one would take a close look into the reason for sprawl, he would find that developments must be where developers have access to land.

Land is the most vital and the bottom side of every development. Naturally access to the community with its various complexes is also necessary. However, with today's freeways, and the average

household having two cars, it is not uncommon to live in a subdivision, 12, 15 or even 25 miles from the core area.

In most cases the reason for the far out development was the high cost or unavailability of the land closer in, which is being held off the market by land speculators. Such close-in land soon becomes a waste land and neither farmer nor developer can touch it because the price is sky-high while the taxes are dirt-cheap. Many books describe in detail how millions can be made in California with speculation in land just that way.

The measure SCA-4 does not in any way describe how the Legislature will apply 'enforceable restriction' with-

out the consent of the local governing body. If a local governing body wants open space use of certain lands it can presently determine such use without the aid of the Legislature through local zoning laws.

To say that SCA-4 is vague is being very kind. The result of its passage would be even less taxes for land speculators, thus causing more sprawl.

The bill does not concern itself with a method to induce proper use of land in the core areas, which would reduce the need for far-out developments.

If it is more desirable to build high-rise condominiums in downtown Los Angeles instead of in the Santa Monica Mountains, what provision of the bill makes the undesirable

slums available? None!

If the Legislature wants to increase open space for recreation and the production of food and fiber they should concentrate on legislation that would make poor use of core area land unprofitable, instead of very profitable as it is today. Legislators must recognize that whatever is beneficial to land speculation is detrimental

to the rest of the economy.

If land speculation was done away with in the state, farmers could have their lands back for farming at farm land prices and with farm-land taxes. If land speculation was removed from the city centers, developers could then make the highest and best use of slum property and vacant lots, and

no thought would be made of putting high-rise in the Santa Monica Mountains.

The real problem is, "How does the Legislature go about making land speculation unprofitable when the land speculators control the legislature?"

This comment on the legislation is to be published in the future.

Contains interesting stories on the 4-mile underwater transit tunnel now being built under San Francisco Bay and the rapid transit system recommended for Seattle.

Congressman Thomas M. Reese

## Evaluate Issues

When you mark your ballot in your polling booth this November, it will be too late to start to evaluate the issues and candidates you are called upon to support or reject.

Now is the time for every eligible voter to gather information and discuss with others the issues and their effect on the people. The

community and the nation. Now is the time to take an interest in public affairs and support those candidates and measures that appear to offer the best long run solutions to the problems before us. And let's not overlook that the United States plays a central role in a world of unprecedented change.

This fall every voter will be expressing his opinion on policies and proposals that involve war or peace, authority or freedom, national solvency or bankruptcy. An active and informed electorate is more vital to the future of our society under representative government than at any other time in our history.

Frank J. Brickwedel  
Your very truly

Great Mike  
The City Administrator of Los Angeles, twin pipe has moved in with scattering of criticism of the Urban



## Letters to the Editor

I am happy to report that I was appointed to the House Committee on Banking and Currency. This committee deals with the new Department of Housing and Urban Development (HUD) and the many problems of urban areas which are of interest to all homeowners.

Much of the vital work in Congress is done at the committee level and I was happy to be chosen for this most important committee. We have been holding hearings for the past two months on the current tight money situation and the competition between banks and savings and loan institutions. My hope is that we can develop legislation to develop more cooperation between the two and with the Federal agencies which deal with monetary policy.

Please keep me informed of the thinking of any of your members on these issues, or any problems of a Federal nature.

Congressman Thomas M. Rees

Thought you might be interested in this bill. "Sale of Participation in Government Agency Loan Pools."

This measure gives the government the right to borrow on assets or loans which total \$33.1 billion. Deficit financing such as this will give the government the illusion of having money and launch further spending sprees while covering up the true fiscal deficit.

This bill was passed although all Republicans in the House voted in opposition and were joined by 62 Democrats.

The House also passed a bill raising the public debt limit to \$330 billion. This represents an increase of \$41 billion since 1961. The interest on the national debt has totaled about \$77 billion, or an average annual outlay per person of some \$250. The end is not in sight for the fiscal irresponsibility of the present administration.

Congressman H. Allen Smith

Dear Mike:

The City Administrator of Los Angeles, Irwin Piper, has moved in with scathing criticism of the Urban Renewal Projects in Los Angeles. Many of the points we made in the article in June California Homeowner were brought out by Piper. His study indicates waste and

inefficiency, buying the land high and selling it low to private developers.

Mayor Sam Yorty was made "aware" of these problems. He cannot now say that he did not know that Urban Renewal is not the answer to a cities problems of renewal. What he will DO now remains to be seen.

William Pereira

Dear Mrs. Hamilton:

"It's like a license to print money" . . .

This comment on the beneficial effect of a subway on real estate values was made as Toronto opened a new 8-mile east-west rapid transit line.

This issue of our magazine GOING PLACES also contains interesting stories on the 4-mile underwater transit tunnel now being built under San Francisco Bay and the rapid transit system recommended for Seattle.

Sincerely,  
P. H. Whitney  
G. E. Company

Dear Mr. Nagy:

We have received your publication, "California Homeowner" for some time and have appreciated your efforts in the field of equalization of property taxes, including tax reform.

We attempted to re-appraise all the land in Del Norte County and succeeded until we arrived at the large land owners. Because of their political pull with the Board of Supervisors, they all received 40% reductions.

We released this information to the newspapers and a clipping is enclosed. If your organization can do anything to help we would appreciate it. It is very difficult for Assessors in California to carry out their constitutional responsibilities when this type of favoritism is prevalent.

Yours very truly,

Frank J. Brickwedel  
Assessor, County of Del Norte

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### PUBLICATIONS

Fragments, a quarterly. 248-47 Jamaica Ave., Bellerose, N.Y. 11426, \$2 a year.

American Rationalist, independent free-thought journal. Free sample copy. Box 1762, St. Louis, Mo. 63199.

A Way Out, bimonthly, \$3.50 a year. Dedicated to individual liberty and social decentralization. Published by School of Living, Lane's End Homestead, Brooksville, Ohio 45309.

### ORGANIZATIONS

Homemakers  
Bridge the Gap Between Home and School  
Everywoman's Village  
Classes in Living  
5634 Sepulveda Blvd.  
Van Nuys, Calif. State O-9077

Incentive Taxation Committee of California, 1106 First National Bank Bldg., San Diego 1, Calif. The organization for business and professional people who want to eliminate the business inventory tax, machinery and equipment tax, personal property tax, and who want to improve the California property tax structure.

San Francisco Committee to Reform Assessment of Private Property (SCRAPP) 26 O'Farrell St., San Francisco 2.

Graded Tax League of Pennsylvania, 710 Bakewell Bldg., Pittsburgh 19, Pa. Write for, "Pittsburgh's Pioneering in Scientific Taxation."



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