

the Henry George News

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The Bee and the Blonde

WHEN a certain lady in Sacramento accepted the challenge to run for County Tax Assessor she knew it would not be easy, and when she was elected in spite of what seemed like meager support, she and her husband concluded there must be a purpose which would in time be revealed. She accepted knowing that her announced views of following constitutional assessment procedure would make enemies, but here too she felt free to speak and act, because she knew she did not want to be elected to another term.

Dr. Irene Hickman was installed in this new office a few months in advance of January first to fill an unexpired term, so the bomb exploded early in October in the Sacramento Bee. Headlines on page one aroused the public with news of her loyalty to the constitutional provision and the intention to assess property for taxation at 100 percent of market value instead of the 20 to 25 percent ratio used in other California counties. She would be the first assessor in the state to carry off such a program.

With property taxation at the top of the news a hundred or more readers telephoned to ask particulars. People who normally consider tax matters a dull subject found them a brisk topic of conversation, while they con-

tended against the anticipated increase.

Quietly Dr. Hickman reassured them. No, your tax bills will not be quadrupled, they may be no higher than they are now if the county rate is lowered. If the constitutional valuation is met and a true valuation is assessed the county rate can be lowered accordingly, and if property valuation is quadrupled the ability of local governments and school districts to tax and borrow money will be increased greatly.

She wasn't kidding, and she even challenged some of her assessors to take a ten-week course in Fundamental Economics, remarking with a smile, "it's a good way to get on with the boss." She herself is an instructor and board member of the Sacramento branch of the Northern California Henry George School. She is also closely affiliated with the Incentive Taxation Committee and the Statewide Homeowners Association.

So the storm broke, and it was as crusty as the politicians could make it. Irene Hickman was becoming known from coast to coast, and what might be heralded as a new profession and a new first for women, had quickly caught the attention of reporters. But this free advertising for Sacramento

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was not as fully appreciated as it might have been. Instead critics trembled lest it discourage new business from entering the area. The opposite has been the case where even a limited approach to land value taxation has been tried — in Pittsburgh and Southfield, Michigan. The new assessor insists that when taxes are removed from buildings a healthier climate will prevail. "With an increase in building comes more jobs and less poverty," she says. "But to encourage building we must take off the tax."

By October 12th lunacy was the charge hurled at Irene Hickman in the newspapers by a councilman, and at the outset voices were raised to "get her out." Then there were discussions about recall (after such a firm majority too, and a campaign in which she made her platform crystal clear). But recall, they found, could not be attempted until after she'd been in office six months.

"Cease and desist" came next, as experts emerged from huddles with the news that the state Constitution does indeed allow assessing at 25 percent of market value and that the State Board of Equalization allows this fractional assessment. The equalization board has authority to "advise and instruct" assessors on how to assess property. Consequently, on the day after the county tax rate is set the board could order the assessments rolled back to 25 percent of market value. Cries of anguish over the high valuation would however come from 30,000 veterans in the county who would lose their exemptions, and some 450 families would be found too affluent to qualify for relief.

The Sacramento Bee, which carried articles by Henry George when he lived in California, reported this controversy fairly.

A large feature on October 16th included a picture of Dr. Hickman and

below it one of Henry George, with lengthy quotations from *Progress and Poverty* by way of explaining what the new assessor was up to. For, said, Dr. Hickman, "Henry George was right and I intend to do what I can within the law to carry out his ideas."

Firm on Principle

"To understand Irene Hickman, the iconoclastic assessor of Sacramento County, you must first get to know Henry George, the 19th Century American economic reformer," wrote Aaron Epstein, the author of this extensive article. He noticed that in her first few weeks in office she had begun reorganizing her appraisal crews to reassess all county land independently of buildings, with the prediction that substantially higher assessments and taxes on land would fall especially on slum areas and vacant lands. Furthermore she and the Incentive Taxation Committee are at work on a ballot measure for 1968 to establish a single property tax without disturbing nonproperty taxes. This, she terms "modified Henry George."

George rejected the Marxian idea that the capitalist is the villain, claiming rather that landlords, land speculators and land monopolists were the culprits who reaped the benefits produced by the community, without contributing any productive work. Nevertheless critics have raised the charge of socialism against the full valuation proposal, claiming that it would enable nonproperty owners to be supplied with government services without contributing a penny, and would allow tax exemptions to industrial plants which create demands for government services.

"Once the government is in a position to claim ownership of real property (under a single tax system) there is nothing to stop it from claiming ownership of personal property — and private ownership of real property is an insurance policy against despotism,"

the California Real Estate Magazine protested.

Dr. Hickman says that no fundamental changes are necessary because George was talking about natural laws of economics which are always valid. She sees a renewed interest in and a resurgence of the single tax movement, and she is one of its most striking exponents. "I'm not going to walk softly," she said. "I'm not worried about the enemies I will make. They will be the land monopolists, the slum landlords and the speculators." By the time her term of office is over she is confident the intended beneficiaries of her planned reform — home owners, laborers, farmers and businessmen — will be grateful to her (and, adds the feature writer, perhaps to Henry George.)

Throughout a tense special hearing before the Board of Supervisors Dr. Hickman maintained that "the Constitution says I can assess at fractional value, but it doesn't say I must." She awaits and favors an early court decision, since her opponents are determined to block her assessment program.

The hearing drew an overflow audience and was referred to in one of

the newspapers as "the hottest thing that's happened in Sacramento in 90 years." At a nearby bar where people clustered round the television the hearing drew more viewers than the World Series.

"If the courts find she is right, Dr. Hickman will be the most important figure in assessment reform in the history of California," stated one columnist. "Serene Irene" coolly and calmly defended her principles . . . "I believe, sir, this board took the same oath of office I did — to abide by the Constitution," she said.

While the Henry George School neither supports nor opposes the new assessor, Robert Tideman, the San Francisco director said, in a press interview, "homeowners who think low assessment levels reduce their taxes are mistaken . . . full value assessment reduces the burden of indirect taxes on homes and businesses."

A TV commentator was heard to remark recently, "we should pay as much attention to what is going on in Saigon as in, let us say, Sacramento, California." Let us say that we should pay attention to what is happening in Sacramento.

Wilmington's Evening Journal recently reported the recommendations made by the Mayor's Advisory Committee on taxes. As mentioned previously in HGN, the chairman, Edwin P. Neilan, has repeatedly encouraged "the best use of land." His view is reflected in the first of several proposals, namely that the city overhaul its real estate tax system to have assessments chiefly on land values, replacing the present real estate tax. The committee will now proceed with the usual "tax study."

At Rutgers University in New Jersey a federally supported study is going on largely financed by the Urban Renewal Administration. In suggesting the advisability of resident ownership, the director of the Research Center urged consideration of a policy of granting rebates in real estate taxes to homeowners, for use in improving their property, as Miami Beach has done. Among other things cited was an observation from the Newark Central Planning Board to the effect that our present ad valorem tax system taxes new construction most and dilapidated structures the least, with a resulting tax bonus for slum ownership and a penalty on modern standard houses.

In Jersey City, as reported in The Gargoyle (Nov.) issued by the New Jersey HGS, the mayor held a conference of Hudson County mayors, who are under orders to assess all real estate property at 100 percent, as the State Constitution provides. Mayor Whelan called this a catastrophe since the county is 75 industrial and 25 residential. To avoid a large tax jump to homeowners he suggested that cities be given permission to grant limited tax exemptions to homeowners for three years, or until the property is sold.