

Conference for Decision Makers

E. ROBERT SCROFANI, a member of the HGS board of directors of the Northern California Extension, was chairman of the Property Tax Conference for Bay Area Decision Makers attended by 135 businessmen, professors, political leaders and interested citizens.

Dr. Irene Hickman, Assessor of Sacramento County, spoke out of very fresh experience when she said every public improvement adds value to the land. One illustration was the case of a farmer who owned 450 acres near the new airport. It was valued at \$800 an acre as farmland but for the 20 acres rezoned for commercial use to permit the building of a motel and service station the cost increased to \$10,000 an acre. He gained an \$184,000 increment because of the new airport and improved highway.

This popular speaker said poverty should be destroyed at its root cause. The origin of wealth is in the land, the only thing that is added to produce wealth from land is labor, and there are only two things to tax—land and labor. Of the more than 500 separate taxes only one rests on the land—all others are on labor and add to the cost of the product. Therefore the tax on land is the only one that encourages the full and proper use of land, the only one that acts to decrease poverty and its attendant ills, and the only one that moves us toward the recapturing of our lost liberty and justice.

She closed with a stirring re-enactment of Henry George's Ode to Liberty.

DANIEL MCCORQUODALE, Mayor of Chula Vista, was another one who could speak from direct experience. He told how the history of the property tax had been a recurring cycle of attempts at uniformity, followed later by a gradual drift away from the principle. This led by 1950 to open abuse

and a sudden impact of sizeably larger assessments that shocked many taxpayers. It was becoming more and more apparent that assessors were not appraising all property at its current full cash value. Public indignation finally exploded in the middle 1960's when corruption and irregular practices in several county assessors' offices came to light. The exposures opened the way for a radical tax reform.

After many inquiries had been made to him regarding the increases, the Mayor called on the State Homeowners Association for a comprehensive study of land parcels in San Diego County (see April HGN where he is incorrectly referred to as councilman. He won the mayoralty seat in a landslide). It is hardly possible to have such consistent undervaluation as the survey showed without its being deliberate, the Mayor said. "It is just as criminal to cause certain taxpayers to pay 25 times more taxes than certain other taxpayers on equally valued property as it is to steal from one person's bank account and add it to another's."

MASON GAFFNEY, professor of economics at the University of Wisconsin, spoke of conservation and agriculture. He agreed that the loss of good cropland is often a needless waste but would stress the high location value of the soils invaded by sprawling cities much more. In discussing positive and negative containment he cited zoning as an example of the latter and said it is never mandatory, only restraining. As an approach to positive containment he asks that those who live far from the center where such utilities as water originate, should consider the cost to them if they laid a one-inch pipe from their homes to the source, instead of taking for granted that their cost for such service should be the same as it is near the center.

Levying heavy taxes on the base of site value would make land cheap to buy but dear to hold, and he regarded this as an optimal arrangement. "Such a tax is not only permissive of site-improvement, it is downright mandatory," he said. "We see this effect in outlying areas all the time, where farmers complain that missing property taxes force them to intensify or convert land to urban use. That is what exclusive agricultural zoning is all about."

KARL L. FALK, economics professor at Fresno State College, said the relationship between property taxes and the supply and quality of housing is a hard one to pin down, but the property tax, unpopular as it is, is here to stay and needs to be studied. Many cities are on the brink of bankruptcy but cannot increase the tax rates.

The slums cost the city more in services than it gets from them in taxes—thus the costs are loaded on the general taxpayer. This holds back the improvement of socially necessary housing, especially for lower income groups in the central cities where the situation is already tense. He marshalled a number of possible alternatives to the system of property taxation and said it has the capacity to work much better than it does and could help rather than hinder

the development of better housing and better cities.

Other speakers included Arthur Gallion, retired dean of the College of Architecture at the University of Southern California; Francis Barnes, vice president of Crown Zellerbach Corporation; Fred Martin, manager of the governmental affairs department of the San Francisco Chamber of Commerce; Jack Morrison, supervisor of the City and County of San Francisco; and Rober Tideman, executive secretary of the Northern California HGS.

Dr. Hickman, along with the assessors of San Francisco, Marin and Contra Costa Counties, served on a technical advisory panel in the hour-long sessions held in the morning and afternoon. Discussion leaders for the four separate groups were San Francisco Judge Joseph Kennedy, Dr. Elmer Weden, Dr. Duval Jaros and Dr. William Filante.

Co-sponsors of the conference included the American Institute of Architects, the American Institute of Planners, Associated Homebuilders of the Greater East Bay, the Statewide Homeowners Association, the Urban Studies Department of San Francisco State College, and five other local civic groups.



A field trip and banquet in Southfield, Michigan on June 22nd had lots of people wishing they could be on board for the unusual double feature. At 5 P.M. a bus tour of Southfield had as its guide Assessor Ted Gwartney, whose newspaper articles have made clear the intricacies of assessment techniques and the city's unique program introduced by Mayor Clarkson.

Following the social hour and dinner, the Honorable S. James Clarkson, now in his fourth term as Mayor of Southfield (the Detroit HGS faculty member who 'made good'), spoke of "Creative Taxation." Robert D. Benton of Royal Oak, Michigan was toastmaster. He's not the boasting type — if he was he could say he taught Jim Clarkson basic economics, little dreaming that he would become a beacon for the LVT philosophy throughout the state.