

prices, may have frustrated the protected industries. Were it not for this, America would never have attained her present position of wealth and power. No country can get rich by sending more goods and services away than she takes in.

"When the U.S.A. reversed the normal process about 20 years ago, she laid the groundwork for external deficits and a slower rate of growth. . . . Trade unions—which are a form of protectionism supported by legislative privileges—produce the same result as they succeed in embracing

more and more workers. Thus the constant demand for higher wages and fringe benefits.

"But Kennedy, the 'liberal' thinks he can 'cushion adjustment.' It is the old story of a dog chasing its own tail. Under his free trade plan, he promises 'adjustment assistance' where imports cause loss of jobs or business. This is akin to the victims of a bandit compensating him for being deprived of his loot by the police. Nowadays nobody is supposed to pay for his own sins or his own inadequacies. That is the taxpayers' job."

California Assessment Practices

THE Commonwealth Club of California has released the report on a study of Assessment Practices by participants which included assessors, private public utility representatives, and "advocates of the Henry George theory of the single tax."

It was agreed that only mechanics and practices of assessment would be studied and the first question as to whether property in California should be assessed at "full cash value"—the mandate of the constitution, or, as at present, "in proportion to its value," was fairly quickly concluded with 82 voting for assessment at full cash value and 52 for fractional cash value.

Next the more troublesome problem of equalization arose. There is often wide diversity in the assessed value of two nearly identical plots situated near each other but separated by a county line. Also there are sometimes different valuations on the same property by the county assessor and a city assessor. It was finally voted, 106 to 26, that the State Constitution should be amended to require that the county

assessors' valuations be adopted uniformly by all units within the county.

"Should land be valued in accordance with use, or regardless of use?" This was very close—67 voted for the former, 68 for the latter. "Should there be legislation to establish uniform criteria for valuation of improvements?"—113 said yes, 19 no. "Should there be repeal of the tax on household effects?"—96 said yes, 35 preferred a requirement that such effects be assessed at the same ratio to true value as applies to land and improvements.

A minority of 39 said the tax on business inventories should be repealed—93 suggested legislation require a more uniform standard of evaluation. Again a minority of 33 voted for repeal of a personal property tax on fixtures and machinery, while 94 were for adopting uniform standards of value, comparable to those now applied to motor vehicles.

The decision was close in deciding whether assessors should be elected (70) or appointed (64).

A real estate analyst in registering his opposition to the report said the assessors use three standard approaches: cost, income and market analysis; while in assessing public utilities such factors as historical cost, capitalization of net earnings and stock and bond values enter in. He referred to the Henry George advocates as the "third group of specialists," whose aim was that only land should bear the burden of all property taxation. Quoting from *Progress and Poverty*, "when all rent is taken by taxation for the needs of the community . . . labor will get its full reward, and capital its natural return" etc., he criticized the group for, as he put it, leading the taxpayer to distrust the methods, and by extension, to distrust the public officials who apply the methods.

Robert Tideman, executive secretary and director of the Henry George School in San Francisco, made a brief reply denying that Henry George or his proposals were mentioned at any time during the discussions.

Robert De Fremery, also associated with the Henry George advocates, expressed delight over the vote favoring assessment at full cash value and believed the study made it clear that failure of assessors to assess at full cash value as required by the State Constitution is a major cause of the inability of local governments to support themselves. This, he insisted, is a most serious matter when one con-

siders the extent to which, in the last 30 years, the local government has been turning to higher levels of government for financial aid. "It is this increasing dependence of local governments on higher levels of government that threatens destruction of our way of life," he said. "The bulwark of our free society lies in strong, financially independent local governments. And the financial strength of local governments has been steadily undermined by failure of assessors to assess at full cash value as required by the Constitution."

Furthermore, he pointed out, "that part of the property tax falling on land has an enormously beneficial effect on the economy by holding down the price of land and encouraging its best use. There is no disagreement among economists on this point. Every effort should therefore be made to increase the ability of local governments to pay their way by obtaining as much revenue as possible from the local property tax. If the burden on improvements and personal property becomes too heavy, then the property tax should be amended along the lines of the graded tax plan used in Pittsburgh, Pennsylvania. Meantime, assessors should be required to assess at full cash value."

The complete report, published in booklet form, is available from the Commonwealth Club, St. Francis Hotel, San Francisco 19, at 25 cents.



"Economists have been up in the air for a long, long time. Thus the space age changes nothing," said Dr. Proctor Thompson, Professor of Economics of Claremont Men's College. This quote from the National Observer, a new Sunday newspaper, is reminiscent of Professor Harry Gunnison Brown's limerick:

A college economist planned
To live without access to land,
But ere he proceeded, he found that he needed
Food, clothing and some place to stand.