

Press-Herald

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The Assessor Speaks Up

County Assessor Philip E. Watson's discussion here of the state's tax dilemma could well serve as a basic text in the differing theories of property taxation.

His statement of the problem as it exists in California—and elsewhere—and his forthright statement of position on the problems are to be commended.

The assessor's comments on the current deliberations over exemptions of business inventories on tax rolls and other revenue measures being considered in Sacramento published on this page today face squarely some of the basic facts of taxes.

His earlier demands that a limit be placed on property tax levels is supported here with the warning that the homeowner's tax bill would be hiked substantially without the limits.

He also has some significant figures to support the contention that property tax rates are not the sole consideration of officials charged with plant location. The lessons to be drawn here could be important to those charged with the planning and development of Torrance and other Southland cities.

By taking a firm stand before the legislators on such matters, and by using the power of his office to speak for the rights of individuals and homeowners of Los Angeles County, Mr. Watson is performing a long-needed service.

He continues to distinguish himself as a public servant, a public servant who recognizes a problem for what it is.

It's a trait too easily overlooked in public life.

Area Realtors Saluted

Handling real estate in this area is big business. In the unlikely event that anyone wasn't aware of this, the Torrance-Lomita Board of Realtors—in conjunction with the current observation of Realtors Week—has compiled some figures which can be put down as eye-popping.

For example, the board reports that it now represents 210 real estate offices in the Torrance-Lomita area, that the Board membership now stands at 1,140, and that members are joining at the rate of 45 a month. That shows that the local Realtors, presently led by Realtor Albert Z. England, are a strong force in the city.

What they're doing in the way of real estate transactions, however, is the real story: Up to May 15, a total of 1,120 sales had been recorded this year with a dollar volume pegged at \$27,719,931. In addition, the Board reports that a total of 3,135 multiple listings had been processed by the Torrance-Lomita Board office.

The Realtors of Torrance are a vital part of the community and it is fitting that we salute them today in the middle of Realtor Week.

Others Say

Happy Motoring!

If you want to know the best way to drive to some point a few miles or thousands of miles away, there isn't much to it. You just drop into a service station and get a road map. But it wasn't always so—as the survivors of the early days of motoring will tell you.

An article in Petroleum Today traces the history of road maps, and it's quite a story. Before the turn of the century, the few motorists of the time generally had to depend for navigation upon maps designed for bicyclists. The problems this created need no elaboration. Then guidebooks prepared especially for motorists began making their appearance. They were helpful, but limited in scope. Directions often depended upon such phrases as "turn right at the red barn," or "take the left fork at Jones' general store."

Various innovations also made their appearance, one being a disc called a "live map" which was attached to the car and revolved as the car moved, mile by mile. Others were based on the picture-book principle, with photographs showing a driver's eye view of key landmarks. All had disadvantages, and none were fully successful.

Then, in 1914, an oil company issued the first free road maps through its service stations, and a new age in car navigation was launched. Today, some 200 million maps, loaded with accurate information, are given away by the oil companies each year.

So, nowadays you have to try hard to get lost. Happy motoring!—Industrial News Review.

Lifesavers

YOUR GIFT OF BLOOD THROUGH RED CROSS WILL SAVE SOMEONE'S LIFE THIS SUMMER. TAKE THE TIME TO GIVE BEFORE YOUR VACATION.

He Thinks He's A Little Lamb—



ROYCE BRIER

Asian Policy Disturbing Intellectuals in Japan

In the 20 years following total defeat, the Japanese people have achieved one of the most extraordinary recoveries ever seen in human history.

The recovery has been marked in three ways: (1) by sheer technological-industrial competence and energy, they emerged as the foremost Asian people; (2) they re-established their sovereignty; (3) they became an ally of the United States and an anchor of the American interest in the Far East.

If the American interest is administered with restraint and intelligent understanding, there is every reason the United States should retain the friendship of the Japanese people, with incalculable benefit to the cause of freedom. If, however, the Americans become confused about where their true interests lie, about the long-range cause of freedom, they can alienate the Japanese people, and the American interest in the Far East will suffer damage.

In the last decade, John Foster Dulles thought the American interest lay in substituting American prestige and power in Indochina for French colonialism, which had failed. But there was some doubt of Mr. Dulles' perspicacity at the time, and nothing has occurred since to lift that doubt.

Last month 92 Japanese intellectual leaders, mostly university professors in the Tokyo area, addressed an appeal to Premier Sato demanding he clarify Japan's position in the Viet Nam war, seeking suspension of American air attacks in North Viet Nam, and immediate negotiation for a peaceful settlement. The appeal asked the Premier to warn the United States that if the war continued to enlarge in scope, Japan would disappear as a Japanese base for combat operations.

Mr. Sato has not yet met these demands, but it is notable that the appeal has won widespread approval at all levels of Japanese life.

We must expect Japanese socialists, and a smaller body of outright communists, to oppose the American

course in Viet Nam. A considerable element of this group is sympathetic with the Red Chinese, though not necessarily with the Soviet Union.

But few of these professors are socialists. Most of them are members of the Center. They are concerned of course that a larger war may involve Japan, and as the war since Jan. 1 has greatly enlarged, despite President Johnson's pronouncements of principle, their concern is understandable.

Washington's sense of proportion in its Far Eastern venture seems more questionable by the week. It places a frenetically high value on "victory" in the rice-paddy society which is South Viet Nam, while risking, if not flouting, the good will and collaboration of the most potent people in half the world.

If this is a reasoned and balanced global policy, its reason and balance do not seem to be impressive to a large share of the peoples inhabiting that globe.

WILLIAM HOGAN

Theodore White's Study Of LBJ Election Slated

Blackout: At the moment, Atheneum Publishers is handling its summer blockbuster with the delicacy of a Pentagon classified document. This is "The Making of the President 1964," by Theodore H. White, which will be unveiled officially July 7. An undercover agent at Atheneum forwarded 56 pages of mimeographed typescript to us the other day, the first and part of the second chapter of the work. This was accompanied by the following message:

"Because everything about this remarkable book has been surrounded by a sense of urgency, advance copies won't be ready until a few weeks before publication. Your cooperation in keeping the enclosed material CONFIDENTIAL until July 7 will mean an outstanding press like that given this book's classic predecessor which won for Teddy White the Pulitzer and sold over 1.5 million copies in the United States. . . ."

Curtains drawn, I looked over the material at hand, marked "confidential working manuscript, uncorrected, and unedited." Can't imagine that two little words will break any confidence or damage either

Atheneum or Teddy White. "It's great." The Ronald Reagan story, called "Where's the Rest of Me?" is an out-and-out campaign biography (Duell; \$5.95). It is labeled an autobiography, but Reagan's collaborator is Richard G. Hubler, a former Hollywood columnist and biographer of Lou Gehrig, who, at the moment seems to be the former actor's Stephan Shadeg and potential press secretary if Reagan is successful in his bid for the Republican nomination for Governor of California, and is elected.

The book logs Reagan's political philosophy, which fundamentally hews to the Goldwater line. This was forged, he tells us, when, as president of the Screen Actors Guild he saw that subversive (that is Communist) forces were attempting to take over the film industry. A Hollywood "My Battle," the book includes much political name calling plus casual shop talk of the industry during Reagan's heyday ("Brother Rat," "King's Row"). The whole thing is capped by a long speech which, Hubler explains, "represents sentiments he has publicly expressed across the Nation for the past 15 years." Apparently these sentiments add to the special charisma that surrounds this former Des Moines sportscaster who might very well become California's next governor.

Mencken: Why another selection of the writings of H. L. Mencken? There are a dozen Mencken books still in print, plus William Manchester's biography and Allister Cooke's fine Mencken anthology in paperback, "The Vintage Mencken." Yet "H. L. Mencken: The American Scene," edited by Huntington Cairns (Knopf; \$8.95) is a brilliant new winnowing of the fiery journalist-critic's unique appraisal of America's unique appraisals of American hijinks, from "Letters" to "Religion and Morals." For a new generation of readers, the editor's opening essay is the perfect introduction to the famous Baltimore "Whangdoodle" of only yesterday. As with all Mencken, recommended.



Differing Tax Theories Put State in a Dilemma

By PHILIP E. WATSON
County Assessor

With the state legislature thrown into confusion by Governor Brown's announcement that, contrary to his early statement, there was no longer any need of immediate tax increases beyond a cigarette tax, no one can foretell what will happen to the several hundred bills affecting property tax administration introduced at this session.

At this point, the Assembly leadership is still pushing the massive Unruh-Petris tax package, one of the major provisions of which is the exemption of business inventories from property taxation.

Since this could mean a significant rise in the homeowner's property tax bill, unless some protection such as an overall tax limit is written into the law, I wanted this week to summarize the testimony presented by the Assessors in opposition to the inventory exemption.

Proponents of the exemption use as their primary argument that the exemption would promote "a better business climate." The clear inference to be drawn from this is that California at present has a bad, or at least a worsening, business climate.

To support their argument, they point to the fact that New York and Pennsylvania, highly industrialized states, do not tax business inventories.

But what are the facts? During the last five years, employment in manufacturing industries, which hold one-half of all inventories, increased 6 per cent in California at the same time that factory employment was falling off 5 per cent in New York.

Employment in trade, which holds one-third of all inventories, grew 18 per cent in California but only 3 per cent in New York. The "bad climate" argument hardly seems borne out by these facts.

Surveys made by such business-oriented organizations as the Chamber of Commerce and Fortune Magazine have shown that property taxes are far down the list of factors influencing the location of industry. Such factors as the availability of labor, access to markets, access to raw materials, transportation, cost of supplies, availability of educational facilities in the community, quality of community services, climate, population trends, etc., are all equally or more important than property taxes.

It is undoubtedly true that, all factors being equal, property tax impact could cast a decisive vote. It is also true that all factors are seldom equal and that, in fact, California presents so many other attractions to industry as to outweigh in most instances out higher-than-average state and local tax burden.

Among the greatest beneficiaries of an inventory exemption would be the large retailers. Yet, more than any other, retail businesses do not rely on tax impact as a determinant for location. Retailers must go where the business is—which means where the population is. California, which is now the Number One state in population, need have no fears on that score.

Another argument of the proponents of the inventory exemption is that this is a pass-on tax which the consumer, in the long run, pays. The inventory tax is a cost of doing business, the same as any other cost item that goes into the price to the consumer. If we accept the argument that inventories should be exempt because the tax is passed on, the same argument can be made to exempt any other type of property owned by a business.

It should be recognized, in any consideration of exempting business inventories, the "benefits received" test of a good tax. The owners of inventories are the direct recipients of many government services such as police and fire protection,

sanitation facilities, government-owned utilities, etc. To a greater extent than any one except parents who have children in public schools, business benefits from our public school system which is largely supported from the property tax and which provides them with a competent and often already-trained work force.

In Los Angeles County, with \$1.1 billion in inventories, one single company would receive 6 per cent of the tax saving. The top three companies would receive 10 per cent of the total saving. The top 25 companies, representing only one-hundredth of one per cent (1/100%) of the 225,000 businesses in the County, would receive almost 20 per cent of the savings. The force of the exemption obviously falls hardest on the most populous Counties since these are where industry and trade are located. Though statewide, the exemption would remove an estimated 7 per cent of value from the total \$36.7 billion assessment roll, the impact in Los Angeles County would be a loss of between 10 and 12 per cent of its roll, and as much as 15 to 18 per cent in specific areas there.

HERB CAEN SAYS:

He's Pulling For New Star

PASSING BY: Michael Parks, intense 26-year-old star of "Wild Seed" and "Bus Riley's Back in Town." I'm pulling for him to make it big (Bette Davis calls him "The greatest young actor in the business today") because he was born near Sacramento, went to Sacramento High, upholstered caskets for pocket money, tried out for the Pittsburgh Pirates, and quit baseball because "they were going to ship me to San Jose, and what's exciting about that?" Betimes he read poetry in North Beach joints, and meantime he's already tired of being called "a member of the James Dean-Marlon Brando school." "All I want to be is contemporary," he says. "When I'm 40, I want to be a contemporary THEN." "Tom wandered all about the world as a merchant seaman but found he could not leave memory of her behind." When even the WSJ goes in for double entendre, one must agree that our moral fiber is indeed hanging in shreds.

A SQUARE GETS AROUND: Singer Joi Lansing brushing off a reporter who wondered whether her bust measures 38" or 40": "Like the horsepower of the Rolls-Royce, let's just say it's sufficient" . . . Good ol' Benny Goodman, tearing into a steak at the Hillsdale Inn: "About all I ever listen to—or play—nowadays is classical music. I know this sounds odd, but jazz has become foreign to me" . . . The biggest pro tennis tournament ever staged around here—15,000 purse—will run this weekend at Peacock Gap, with Pancho Gonzales, Rod Laver, Frank Sedgman, Ken Pancho, incidentally, will also spend some time this summer as pro at Peter Paxton's Tahoe Racquet Club at Incline Village; the Cabana, which was also after him (my, it's nice to be wanted), apparently struck out, as they don't say in tennis.

THE KICKSY CROWD, having run out of morning glory seeds, is now denuding the meadowlands of Scotch broom. Put it in the oven, bake it, roll it, smoke it and pleasant dreams . . . Satirist Mort Sahl may have to cut short his successful run at the hungry 1. His ailing throat—papillomata of the anterior comisure—is barking hoarsely for surgery, after which he will be sentenced to a performer's fate worse than debts: six weeks of complete silence . . . Some of the best-known directors in H'wood history—Josef von Sternberg, Leo McCarey, Busby Berkeley, George Cukor, Lewis Milestone, and Mervyn LeRoy—have agreed to appear in the S. F. Film Festival's retrospectives, to show and talk about their biggest hits. LeRoy, the latest to accept (he's a native San Franciscan who once peddled newspapers here), told Barnaby Conrad: "I'm delighted to help my home town in its unceasing quest for Los Angeles' culture!" He laughed when he said that . . . Maestro Posef Krips, relaxing with a cigar in his favorite post-Symphony hangout, Le Trianon: "The finest young conductor I ever saw? That's easy: Pierre Monteux. At 80, he had younger ideas and a fresher approach than conductors half his age."

MORE OF SAME: An announcement from the august firm Alfred A. Knopf Inc.: "Boy Gravely," a new novel by Iris Dornfield, author of 'Jeany Ray,' is being published in May. It is a beautifully sensitive story of a young musical genius, one of an uncounted number of children of a prostitute, who struggle painfully up through self-education to eventual recognition as a serious composer." Hmf—the same old story of a typical prostitute's son.

Morning Report:

The image of West Berlin as a hotbed of exciting intrigue and daring espionage was shattered the other day. The head of the Polish military session defected to an American sergeant in a supermarket.

It was all very fitting and very domestic. The sergeant's wife no doubt had sent him out to buy a frozen TV dinner. And the Pole wanted to defect because he couldn't stand his wife's nagging at home. Being a Communist home, the nagging naturally was about world politics.

The Polish leader, a Mr. Tykocinski, has asked for asylum in the United States. Clearly he needs it—on domestic if not political grounds.

Abe Mellinkoff