

Feb. 25, 1967

# GOVERNOR REAGAN'S TAX DECEPTIONS

Governor Ronald Reagan is engaged in one of the biggest propaganda campaigns to fool the citizens of California as to why the taxes on their homes are so great so that in many instances persons can not continue to own their homes.

Now Governor Reagan has the enthusiasm of the amateur politician who only can have a superficial knowledge of the financial structure of the State of California. He must depend on others to give him advice on California's financial matters. This is not derogatory of Governor Reagan for even experienced politicians who have been in State service a long time, if elected Governor, must have financial advice. There can be no question that even in his private affairs, Governor Reagan has the advice of lawyers, tax consultants, accountants, etc. in his own financial problems.

SO IT IS IMPORTANT TO KNOW WHO IS BEHIND GOVERNOR REAGAN AND PROMPTING HIM. The Governor has come out with such wild statements as, "The treasury of the State has been looted and drained". He claims 3 firms of auditors told him this but he does not name these firms. He tells us that the State of California is spending \$1 million more than it is taking in daily so that there is bound to be a deficit of at least \$365 millions yearly.

His solution is increased sales taxes on what he calls luxuries---cigarettes and liquor. Now anyone who is not blind and walks in the streets can see ordinary people smoking cigarettes all over the place. So since there are many more ordinary people than millionaires, an extra cigarette sales tax is just an extra tax on the average people who in the first place are making this howl about taxes being so high on their homes. So these people will be stuck even if the extra taxes are shifted to cigarettes. When it comes to liquor, you do not read of millionaires being arrested for being drunk, but you read of average citizens being arrested for drunkenness. So again the extra sales tax is on the average citizens.

Then his other solution is to cut the budget of the various Universities and State Colleges. He is trying to cut the budget of the University of California by 29%. Economy in the operation of all state agencies should be an objective of all citizens but the financial problems of the State are not going to be solved by cutting the budget of the schools of higher education or collecting a paltry \$20 millions in tuition fees from the students.

Governor Reagan has recognized this and now he has come out for an increased state income tax. So if he wants this, how is he going to be different than the ~~Exe~~ Governor? He has come out with the same budget of former Governor Brown of \$4.6 billions. So you can see that Governor Reagan offers nothing new except a lot of noise.

The truth of the situation about the taxes will not be found in Sacramento but in the grass roots--the counties where the people and organizations backing and prompting Governor Reagan are running gigantic tax evasions which are the only cause of the financial diff-

iculties of the State of California.

The Statewide Homeowners Association of 953-8th Ave. San Diego ( other offices in Los Angeles and San Francisco) made a statewide survey of California and found that as of Feb. 1964, \$800 millions in county property taxes were not being collected from large landowners, ranchowners, forest land owners, etc. It also found that the owners of average homes were paying the correct county property taxes but in addition had to pay extra taxes to make up for the taxes escaped by the large landowners.

For instance in Imperial County, the Editor of this Newsletter investigated personally assessments and found that the County Assessor was under the control of the big ranches and big landowners and was assessing their land at 5% to 12% of the correct market value while he was assessing homes in the towns at 25% to 35% of the correct market value. Imperial County has only 75,000 people but the big property owners were escaping \$8 millions in yearly property taxes. A specific example is Dr. Francisco Bravo who was escaping \$80,000 yearly in taxes. Publicity against him in this Newsletter resulted in his assessments being raised but he is still escaping \$40,000 yearly in property taxes. Dr. Bravo is a supporter of Governor Reagan and was appointed by him to the Calif. State Board of Agriculture. Bravo is a big ranchowner in Imperial County.

Let us look at Orange County. On Nov. 19, 1965, the office of State Attorney General Lynch testified before the Assembly Committee that the Irvine Ranch of 88,000 acres paid only \$1½ millions yearly in property taxes when it should be paying \$10½ millions. It was escaping 86% of its taxes. Testimony was given that each family in Orange County paid \$36 per year more in county taxes to make up for the Irvine Ranch. The owners of this ranch support Governor Reagan.

In Kern County, it was testified that the Kern County Land Co. another supporter of Governor Reagan, escaped \$4 millions yearly in county taxes. And so it goes.

The State budget calls for the collection of \$4.6 billions dollars. All the school districts in the state are howling that they are short of money for education. So the State of California is forced to give \$1.2 billions to the school districts all over the state. But if the \$800 millions in county property taxes were not evaded by the big ranches, large landowners, large forest landowners, etc., this money could be spent by the local school districts AND THEY WOULD NOT HOWL TO THE STATE TO GIVE THEM MONEY FOR EDUCATION.

This is the main reason why the State of California is in financial difficulties. There are several other tax evasion schemes going on at the county level that cause the average homeowner the anguish of having to pay such high taxes that he can not keep his home. But the main reason is the evasion of taxes by the large landowners who without exception support Governor Reagan who puts out propaganda that the University of California and the State Colleges are the cause of the financial distress. He forgets to tell you that he appointed Allan Grant who owns a 3,000 acres ranch in Tulare County on which Grant escapes \$40,000 yearly in county property taxes. Allan Grant is President of the Calif. State Farm Bureau whose members are the main beneficiaries of the fake low assessments by which they escape large amounts of taxes. Grant as Chairman of the Calif. State Board of Agriculture is a member of the Board of Regents of the University of California and voted out Clark Kerr as President of the University.

On Jan. 7, 1967, the L.A. Times reports that Governor Reagan sold a \$2 millions ranch. This is a typical "tax shelter" and Reagan escaped about \$25,000 yearly in taxes on this ranch. Walter Winchell reports that Reagan has \$10 millions in property. If all is like this ranch, the Governor escapes \$125,000 yearly in taxes. REAGAN AND HIS "TAX SHELTER" FRIENDS ARE PUTTING OUT JUST A SMOKE SCREEN!!!