Wage scales as of June 1, 1939 were about 4% above 1929 levels, but there is ample evidence that these scales are not maintained rigidly. Furthermore, much of the new construction is being done by contractors who employ their workers on a salary basis. Further discussion of building labor wage scales will be undertaken later in the Real Estate Section in connection with construction costs.

J. TAXATION AND BONDED DEBT

1. Taxation. A more involved and complex system of taxation than exists in the Los Angeles area would be difficult to conceive. In addition to the usual taxing bodies such as State, County, City and School Districts, some 39 different acts have been passed by the State Legislature creating "Special Assessment Districts". In many cases these districts overlap each other - sometimes to the extent of 12 "layers". To further complicate the procedure, many of these districts were based upon the ad valorem principle, whereby rendering it virtually impossible to determine the exact liability against any given piece of property in such a district. After public indignation had been aroused by this haphazard and unscientific method of taxation to the point where immediate action was demanded to alleviate the deplorable conditions created by the acts, the most vicious of the laws were repealed. Furthermore, many of the bonds issued under these special districts now have been refunded by specific lien bonds and other issues are in process of refunding. There are, however, many millions of dollars of debt created by these acts still outstanding, and they constitute a definite though diminishing detriment to real estate values in the areas affected. This will be discussed further in the Real Estate Section.

Another factor which has contributed enormously to tax burden of this area, and again one connected with real estate activities of the community, is the matter of excessive subdivision activity in the metropolitan area. The number of platted lots in the community is equivalent to 1 to about every 2.4 persons, and there are sufficient lots at the present time to care for a population of nearly five million persons. The County Planning Board estimated in 1934 that only 57.5% of the platted lots in the metropolitan area were improved, and while utilization of platted lots by new construction since that year has been heavy, 25,193 new lots were added by new subdivisions from January 1935 through April 30, 1939. Therefore, it is doubtful if the percentage of improved lots has increased materially. This large percentage of unimproved lots must of necessity increase the tax burden and the tax delinquency as well.

The 44 incorporated communities in the Los Angeles Area each maintain their full complement of governmental functionaries, in addition to the County, which supervises densely populated unincorporated areas interspersed among the various cities, and thereby serves in effect as a municipal as well as a county government. This situation creates a tremendous amount of overlap since many of the smaller cities are wholly surrounded by the City or County of Los Angeles - and in some locations there are county areas completely surrounded by Los Angeles City. This confusion and overlap had added materially to the already high costs of government. Efforts by civic organizations to secure an alleviation or correction of this situation have been unavailing. One effort in particular, undertaken in 1935 by a non-partisan organization known as the "Citizens Committee on Governmental Reorganization", uncovered the fact that there were no less than 454 taxing bodies within the County. They recommended the consolidation of all 44 communities under one government supervised by a County Manager assisted by a Board of Supervisors. While this recommendation was too sweeping to meet with success at that time, there is hope that a similar program may be successful in the future. Certainly there is no chance for a tax reduction of any importance until such a program is enacted.

It is impossible to give a detailed breakdown of the tax situation in each of the cities included in the area. Fortunately, the County assesses and collects the taxes for all these cities with the exception of Pasadena, Long Beach and four of the smaller cities. Since the County tax tabulation includes data for Los Angeles City, as well as the vast majority of the remaining cities, it will be recognized that the tax data assembled by the County affects a preponderance of County population and affords a valid cross-section of the tax situation for the Metropolitan Area. The discussion hereinafter will, therefore, be based on the County tabulation, and for data on the cities of Pasadena and Long Beach not therein included, as well as for the cities of Los Angeles and the other cities of the County, please refer to Tables 73-74, Pages 76-78, of the Appendix.

The total levy in 1938-39 for the County, the 38 cities, schools, and all special assessment districts, represented an increase of 1.4% over 1937-38 and 32.9% from the 1934 low, but was 11.2% under the 1929 peak. Much of the levy reduction between 1929 and 1934-35 was due to a reduction in assessed valuation (36.8%). However, levy increases since 1934 have been due to increases in both assessed valuations and in the tax rate.