that the HOLC appraisal would be low, as the property is located in an area (D-7) where there is a heavy concentration of Negro population.

Attention is called to the fact that, even though the assessments were made upon a generous basis, the "Effective Tax Rate" reveals an unequal tax burden as between the individual properties, the differentials running as high as 40%.

To show the diversity of location of the properties covered, the table gives the area on the Security Map in which the property is situated.

4. Sales Tax and other Special Taxes Affecting Real Estate.

Both a sales tax and the income tax law were enacted by the 1935 Session of the California Legislature. Neither of these directly affect taxes on real estate, as no levies for State purposes have been made on real estate or personal property since 1914. While these taxes do not directly affect the tax burden on real estate, they do furnish the State Government with additional revenue which has been used to absorb some of the expenses of City and County Government formerly derived from ad valorem taxes.

For example, since these taxes have been effective, the State has assumed that portion of the school costs which was formerly financed through ad valorem taxes.

It can be seen, therefore, that these and other sources of State income, including the special tax on alcoholic beverages, do have the effect of lowering the burden of real estate taxes. It is the current belief that all of these taxes are of a permanent nature, but it is thought probable that the sales tax and alcoholic beverage tax may be lowered at the next Session of Legislature, as they are producing very much larger amounts than were originally estimated.

F. Bonded Debt.

1. Direct Bonded Debt.

On Appendix Pages 28-A, 29-A, 30-A, and 31-A will be found tabulations setting forth the bonded debt of the County of Alameda and each of the seven East Bay cities, as of June 30th, 1936.

The table which is set forth on the following page is an epitomization of these tabulations.