

It Is at Work in California

By J. RUPERT MASON

A prophet is not without honor, save in his own country. So runs the old adage. And yet the aphorism is disproved—or perhaps the exception which proves the rule is provided—by the homage accorded Henry George by his adopted state.

George elaborated his earlier ideas on the subject of land and its basic relationship to human welfare in *Progress and Poverty*, published in California early in 1879. Scarcely was the ink dry on that monumental work when the people of that state, assembled at the polls, adopted their state constitution. Article XVII, Section 2 of that document, states that:

"The holding of large tracts of land, uncultivated and unimproved, by individuals or corporations is against the public interest and should be discouraged by all means not inconsistent with the rights of private property."

The establishment of Irrigation Districts in California, made possible by a legislative act of 1887, has accounted in large measure for the growth and importance of California since the climate, like that of 17 other western states, is arid, or semi-arid. These Irrigation Districts, of

which there are now some one hundred, are set up in response to the vote of the people of the area to be included therein, much as are school districts, sewer districts, and other functional areas, and are governmental agencies of the state.

Their purpose is the pooling of the water resources of a given valley for the common good of the inhabitants. In order to accomplish that purpose they may vote and issue bonds to finance the construction of dams, canals, wells, power plants, drainage systems, etc. Such bonds are protected not only by the right and duty of the District to levy unlimited ad valorem taxes against the land lying therein, but also by water and power revenues and by the full rental value of any land which has been forfeited to the District for unpaid taxes.

Tremendous areas are included within the various irrigation districts of the state. The total of approximately four million acres, represents an area half again as large as the aggregate covered by the more widely publicized Federal Reclamation Bureau projects financed by the United States government in all of the 17 western arid and semi-arid

states since 1902. The property in these California districts was valued in 1929 at approximately one billion dollars, a sizeable total even in these billion dollar days, and especially so when it is realized that the development and growth of the areas from sagebrush to their present large population, was accomplished by local community co-operation and without so much as one dollar of subsidy, or even credit aid, from the state or the federal treasuries.

A substantial part of the development of these areas may be attributed to the 1909 amendment, exempting improvements from taxation. Regarding this move, the Oakdale Board of Trade said five years later:

"The Single Tax has made a great difference for the betterment of the Oakdale Irrigation District. . . Many say they can now afford to borrow money and make improvements which they could not do under the old system. We invite farmers to come and settle among us. Their industry will not be taxed. Our Single Tax system encourages industry. We make the man who keeps his land idle pay the same tax as the man

who improves. Those who build up our community and create its wealth will not be penalized."

At about the same time, the Modesto Chamber of Commerce declared that:

"The new system of taxation in collecting all of the tax from the value of the land has brought great prosperity to our Irrigation District. Farmers are now encouraged to improve their property. Industry and thrift are not punished by an increase in taxes."

It must not be supposed that the California Irrigation District Act was adopted and has survived without a struggle. So it has been and is with all attempts, from the time of California's earliest settlement under its present constitution, to break up the vast concentrated land grants and holdings. Among the first and most notable legal battles along these lines was the case of Bradley vs. the Fallbrook Irrigation District, 164 U.S. 112, which was decided by the United States Supreme Court more than fifty years ago in favor of the District.

This historic test case was brought by representatives of certain wealthy

British citizens, who held large tracts of land in San Diego County and who realized that, if their land were not excluded from the taxable boundaries of the District, they would be subject to taxation for the cost of supplying the community with water whether or not their land used any water. This decision should be read and studied by all Georgists, since it would aid them greatly in understanding the rights and obligations of those California landholders, who are still subject to the same law and constitution. Incidentally, it is of interest to note that counsel for the English group, a Mr. Maxwell, warned the Court that if it upheld the constitutionality of the California Irrigation District Act, it would be guilty of introducing Communism. Dies Committee please note.

In some California Irrigation Districts all the land is now the absolute property of the District and none of it is being offered for sale. Home, orchard, and farm seekers are discovering that they can lease land direct from these Districts and enjoy as complete security of tenure as under a fee simple title deed, without being compelled to surrender all, or even any, of their cash savings in order to get possession of

the land. Likewise, the Districts have found that land users are much more willing to pay a reasonable charge to the District for the use of the land if that charge be labelled rent rather than taxes. The right of the Districts to lease their lands to homeseekers and to collect the rental value of the land, in order to meet the cost of furnishing water has been definitely established by the California Supreme Court.

There are thousands of acres of splendid land, with water, electricity, and good roads, and near towns available for lease from these districts today. For obvious reasons, the big absentee landlord and mortgage holding groups are most anxious that the so-called "migrants" and other land seekers learn nothing of such opportunities, at least until the high cost lands they now hold, acquired under boom price conditions or mortgage foreclosures, can be unloaded.

Here we have a very sizeable "Guinea Pig" that Henry George, if he were living today would be defending vigorously, knowing that if those so long determined to sabotage this law succeed, it would be held up to the world as a "horrible example," etc.