

The California Water Rights

By NOAH D. ALPER

WATER rights and land values are involved in "California's gigantic engineering works to pipe Mt. Shasta's melted snows to the southern San Joaquin Valley, where the arid soil bakes in the sun with the drying fruit it has produced with irrigated water."

Of course the water problem is a difficult one, and a controversy is still raging over the "land and land policy" which Henry George wrote about in 1871. There is water for many purposes but not enough to irrigate all the millions of acres which the present big landholders seek to have made more desirable with little or no cost to them. Were it not for the land question there would be no serious landowner-made water problem in California. The specialists in engineering, agriculture and economics would have been free to work out the solution which would have benefitted the most people at the least cost, even if all the acres now held by landowners could not have been irrigated.

The fundamentals are explained in *The Commonwealth*, official journal of the Commonwealth Club of California, a discussion club of more than 7,000 members. The quotations included in this article are taken from a number of opinions and do not necessarily express the viewpoint of the club.

"Water policies—both Federal and state—legal rights, and group and individual relationships, are involved," as stated in *The Commonwealth*.

In a minority report dealing with the principle of the land holding limitation law, Louis Bartlett, an attorney member, said: "The 160-acre limitation in one ownership is a land policy adopted over 80 years ago for disposing of homestead lands. It has been carried forward in the irrigation district law since its passage in 1902.

"The reason back of it is that homestead lands were gifts to the people of the United States for the purpose of establishing independent homes; it was not the intention to make this a means of acquiring thousands of acres in one ownership.

"The question involved is one of public policy: Should the great unearned increment that will attach to these lands because of the Central Valley Project be channeled into the pockets of these great agglomerations of land and wealth, or should this great profit be divided among the individuals who will go upon the land as their forebears did, develop them and through hard work establish homes and become independent farmers rather than to aggregations of great wealth?"

Eight panels were set up to study and discuss various phases of the problem as it is presented in the Central Valley Project. Panel five submitted the following suggestions: "The problem in this case would be how landowners can be induced to develop their lands fully.

Practically, this can be achieved through taxation by assessing the land for its share of the projected costs regardless of whether or not the owner buys water. This will either induce landowners to develop their lands, or to sell or lease it to someone who will. In this way speculation can be avoided and, in addition, develop-

ment obtained more quickly and more smoothly."

The report from Panel five continues: "It was argued that the over-all objective of the development of our water resources is to permit maximum use of our present and future population; that the question is fundamental as to whether there shall be restrictions that may interfere with such development; that the restrictions imposed by the government do away with the liberty of the small farmer who wants to increase his activity and of the large farmer who wants to retain his holdings; that we should not use the reclamation law to achieve family-size farms; and that *the opportunity for unearned increment in land values can be abolished through the traditional and constitutional means of assessing all land under the project, irrespective of improvements, for the cost of the project.*" (Italics mine)

The following remarks by State Senator Bradford S. Crittenden, Chairman, Legislative Joint Interim Committee on Water Resources, which were included in the club's publication, are also of interest. "But there is a new attitude abroad—the notion, on top of all this development by private initiative (making of farms, orchards, ranches, etc.), that unearned profits are bad for people. To be prosperous is bad. You must never have over 160 acres even if it is salt flats and won't grow any-

thing . . . I don't see that it's wrong for a man to make a little money out of buying a house and lot today, letting it increase in price, selling it and making more than his neighbor does. Isn't that America?

"There is talk about making money on unearned increments. If you can't make money on unearned increments, what is the use of trying to develop a ranch property hoping that it would, as the country develops, be worth more money? Is there anything wrong with that?"

Abraham Lincoln said in a logical simplification of the "economic question": "There is only one question now; there has never been but one question; there will never be but one question; that is: how to prevent the few from saying to the many, you work and earn bread but we will eat it." Senator Crittenden asks is there anything wrong with making money on unearned increments? Only that some then make who do not get!

Without water much of the land in the Central Valley of California would be uninhabitable and worthless. This report of the Commonwealth Club on the Central Valley project is worth a careful reading by Georgists (November 28, 1949 issue, Part two). It can be obtained from the Commonwealth Club of California, St. Francis Hotel, San Francisco 19, California, at 25 cents a copy.