

GREENING THE CALIFORNIA DESERT:

One of the most fascinating papers delivered at the Lafayette College conference was a history of water issues in California, by San Francisco HGS Director E. Robert Scrofani. The coming of modern civilization to California meant the moving of vast amounts of water. "A visit to the verdant beauty of Golden Gate Park in San Francisco," Scrofani begins, "would persuade the visitor that this fabled city had abundant water. In fact, the area of Golden Gate Park was once an immense sand dune."

The history of California's "water wars" had three distinct stages. "Under earlier Mexican rule private use of water was governed by the doctrine of *riparian rights*" -- in other words, those owning land on the banks of rivers had the right to use the water. Landowners not contiguous to a stream had no rights to its use. This led to bitter fights for many years between water monopolists and farmers who had to pay for this vital resource.

The anti-monopoly writings of Henry George, a prominent California journalist in the 1870s, had considerable influence, particularly on a young state representative named C. C. Wright. George proposed in his *San Francisco Post*, that dams be built in the Sierra Mountains for the watering of farmlands, urging "Make the land benefited pay for the expense, and give the people interested the management." Wright authored a bill, which was enacted in 1887, to do just that. It enabled special assessment districts to be formed which had the power of eminent domain, thus allowing irrigation dams to be built, financed by bonds, which were in turn paid off by means of a tax on land values.

This law was ingenious in that it made water available to thousands of farmers, who then paid for it themselves, through the enhanced value of their land. The act was amended to make it even more effective, exempting from taxation "all trees, vines...growing crops and all the structures of whatever class or distinction." The law was tremendously successful. In 1915, L.L. Denney, a former legislator, told the *Los Angeles Times*, "I doubt if any law ever enacted by our legislature has even approached the beneficial effects of this law."

In the early 20th century, though, the federal government, with the Reclamation Act of 1902, began to get into the dam business. The intent was to subsidize family farms by building dams and irrigation systems at public expense. The result, however, was to favor "agribusiness" over family farms. "Water in the California desert is cheaper than sand," Scrofani notes -- and

Scrofani Reads the Wright Act

this subsidy vastly increases the profitability of large corporations farming vast domains, crowding the small farmer out of the game. Today, cheap, subsidized water is squandered on water-intensive crops such as rice or alfalfa -- or sprayed profligately in urban sprinklers or car washes. Meanwhile, small farmers and farm laborers are in trouble.

The environmental costs of cheap water have been high. Huge areas of diverse habitat have been "reclaimed", thereby eliminating many native species of mammals, birds and fish. And California uses a third of the pesticides in the nation. As a result, many communities -- particularly those of poor farm workers -- have abnormally high cancer rates.

"The Greening of the California Desert" provides an eloquent testimony for the social and environmental efficacy of financing public infrastructure needs through the value of land. "The current system of water allocation in the West has been called 'socialism for the rich' by some, and 'wasteful' and 'harmful' by others. As California looks to its future it may well want to look to its past when smaller farms, conservation and growth were generated by the simple economic act of letting those who benefited from the water pay for it.... Will a new C.C. Wright arise to apply the old lessons to new problems?"

RUSSIA

(continued from page 1)

off with the ethics of the measure; Tideman addressed efficiency; Gwartney discussed the practice of determining value, and Cord the experiences of cities in America and around the world. A more than two-hour long probing followed, with what might be thought of as a culminating statement from Prof. Bronshtein: "Our ideal is to have what you have." All the questions and comments indicated that the committee's report would be favorable. To close the day our hosts treated us to a Russian ballet.

On Tuesday, I accompanied (Ms.) Sascha via trolley-bus to her workplace, the Central Scientific Research and Design Institute for Town Planning. She is an architect and planner. Her father, Yuri, is Deputy Director of Research. The organizer of our program at the Institute was Victor Scheglov, head of the Dept. of Economic and Social Research.

Some 35 planners and economists engaged in the seminar. It included reviewing the maps and computerized data on their "zoned valuation" system. Gwartney's assessment was that they had used sound initial criteria, but had neither the data nor

A Thank-You (Continued from page 1)

offered by Trustee after Trustee. Members of the families of both retirees were there to share in the honors bestowed upon them.

Our very fond good wishes follow Pearl and Lanc through all the new discoveries they may now explore.

The staff and Director of the HGS expressed very fond good wishes to Pearl at a dinner at Hart's Restaurant on June 25th. Joining them to launch her into her career change were Pearl's husband, Adolph Hirsch, Bob Clancy (who had hired Pearl for the HGS 26 years before), Susan Klingelhofer of the Schalkenbach Foundation and HGS teacher Pia DeSilva.

- George Collins

CHICAGO UPDATE

Summer classes are being offered at 2 and 7 PM on Monday, Tuesday, and Wednesday for ten weeks starting June 24.

Teachers are Director Sam Venturella (retired City Planner), George Menninger (real estate developer), and Scott Walton (real estate broker).

The Illinois Georgist includes, in its Spring/Summer issue, a feature on the West Virginia conference of Mountaineers United for Sane Taxation (MUST) led by Arthur Rybeck, Jr., and an analysis of "The Savings and Loan Bailout" by Bob Jene.



the technique to do site-specific valuations.

After lunch -- dinner, to Russians, -- we were driven to the Institute of Management, a formerly secret facility, for a tour led by Igor Portyansky, Head, Sector of Regional Settlement Systems. We were told that only one floor is still engaged in secret operations. At this facility Dr. Paul Chelotnaryov of the Institute of Central Sciences, demonstrated the computer mapping system of "zoned valuation" he developed for the city of Dnepropetrovsk. Gwartney called this a unique computer program which could have application in the west, a prospect that Dr. Chelotnaryov had been entertaining. Our land rent proposal met with wide interest and strong support from many members of the Institute. Victor Scheglov said, "I like Henry George's ideas, they make sense and they seek justice."

We then went to Scheglov's home, a flat in a high-rise complex in one of the better sections of Moscow, for a delightful supper. Later, a tour took us past the house in which Gorbachev lives, Lenin Hill and Moscow University, before Nic, Ted and I left on the night train to Leningrad.

To be continued in our next issue.