

LAND & LIBERTY

MONTHLY JOURNAL FOR LAND VALUE TAXATION AND FREE TRADE

Forty-eighth Year.—No. 570

NOVEMBER, 1941

2d. By Post, 3s. per annum

THE CALIFORNIA IRRIGATION DISTRICT ACT

How it Encourages Production and Stops Speculation

By J. Rupert Mason

THE PRIMARY object of the California Legislature in enacting this epochal Statute in 1887 was to enable the State to conserve water needed for the irrigation of its arid and semi-arid valleys, and for domestic purposes by the people and animals.

The method established to finance the cost of the necessary storage dams, water rights and extensive system of canals and pipes to distribute the water was originally to empower each district to levy and collect unlimited *ad-valorem* taxes or assessments on all land and improvements. But, experience with land speculators, who would neither sell nor improve, brought a basic amendment to the law in 1909, which permitted the Districts to exempt completely from taxation all buildings, planted trees, vineyards, and live stock of every kind. The Districts already created, soon voted to take advantage of this amendment, and the 100 Districts, serving some four million acres of the richest and most attractive irrigated orchards, vegetable gardens, vineyards, etc., etc., all exempt buildings and improvements of every sort from taxes to-day, and are all strong supporters of that system.

Their revenues are derived mainly from a tax on the rental value of the land, both rural and urban. Thus, they never take anything from the land user, as user, but only from what would *otherwise* go to an owner, as owner. There is no limit on the amount of this rental value the District can take, nor the number of years it can collect a tax on the rental value.

The purpose of this 1909 amendment is to make certain that those who work and improve their land will never be required to pay more towards the expenses of the District than the absentee speculator, holding land of the same value idle and unimproved. Thus, every land holder in one of these Districts is taxed, not according to "ability to pay," nor what each produces, but only in just proportion to the rental value of the land he has the deed to. In this way, the equitable distribution of all earned wealth, is assured.

Voting is not restricted to those holding a title deed to land, although attempts have often been made to get the law changed, so that only landowners could vote. That any important statute, so completely democratic as this one is, has been the object of repeated and implacable assaults, goes without saying.

"It is communism and confiscation under guise of law," was argued before the U.S. Supreme Court in 1895 by Mr. Geo. H. Maxwell, as counsel for an English estate with land in San Diego County. The sweeping language employed by the Court in approving the constitutionality of this statute is well worth reading. (Fallbrook, I.D. v. Bradley, 164 U.S. 112.)

But the forces of monopoly and privilege with title deeds to vast holdings of land were not long faced by

this ruling by our highest court. There have been few periods since, when this statute has not been under attack, or the attempt was not being made to amend and weaken it, from the standpoint of the common good.

Summarizing, each District created under this Act is decreed an "Agency of the State," with all its functions "exclusively governmental," and all its properties, including the full rental value, present and future, of all its land, no matter how acquired or used, dedicated as a "Public Trust" for the "uses and purposes of the Act," and because its properties are all "owned by the State," they are not subject to partition, execution or even to taxation.

The full text of this Act and citations of court decrees are contained in Bulletin No. 18-F, issued by Supervisor of Documents, Sacramento, Calif.

ECONOMIC FREEDOM versus TOTALITARISM

The Congressional Record of April 26, 1940, page 7898, prints a statement by Comfort A. Adams, Esq., Dean, Harvard School of Engineering, Past President American Institute of Electrical Engineering, Consulting Engineer E. G. Budd Mfg. Co., Philadelphia, Pa., worth your careful reading.

Mr. Adams concludes as follows:

"Finally I am convinced that the only reform which will save any *remnant* of our present capitalist system is that proposed by Henry George more than fifty years ago."

Henry George's classic books, "Progress and Poverty," "Social Problems," "Protection or Free Trade," "Science of Political Economy," are in public libraries and book stores or may be bought for \$1 each direct from the

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The Argonaut.

California's Famous Weekly Paper—Founded 1877

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SAN FRANCISCO, APRIL 18, 1947

Socialism Advanced a Few Yards by Real Estate Association

THE Real Estate Association put on a minor form of circus entertainment at the Scottish Rite Auditorium on April 10. The show was billed as a "Tax Protest Rally." What it really turned out to be was a conspiracy to transfer the load of ever increasing taxes from real estate *ad valorem* holdings to the renters and poorer wage earners, in the form of sales and use taxes and a city income tax. Some slight deference was shown to the idea that expenses might be cut, but no one seemed to take that idea seriously, because it really was not the purpose of the meeting.

Chet McPhee, who chairmanned the essay in *public relations*, did not manage to keep his face straight. He knew it was funny. The Mayor scowled, until called on to explain that he preferred to assay the value of services rendered to setting a tax rate as in previous administrations, and holding the budget to that. He admitted that, before he went into office, he knew little if anything about city government. He demonstrated that he has not bothered to learn anything of fundamental value.

We kept thinking as the City Hall gang, which appears to include the executives and hired men of the Real Estate Association, went through the emotions and motions of a "tax protest rally," of an important page in Woodrow Wilson's textbook, *The State*, published by D. C. Heath & Co.

Former President Wilson wrote: "It will contribute to clearness of thought to observe the functions of government in two groups, I. *The Constituent* functions, II. *The Ministrant*. Under the *Constituent* I would place that usual category of government functions, the protection of life, liberty, and property, together with all other functions that are necessary to the civic organization of society—functions that are *not optional* with governments even in the eyes of

strictest *laissez faire*—which are indeed the very bonds of society."

It is in these functions, we believe, that Mr. Lapham's ignorance of government has been displayed most blatantly.

"Under the *Ministrant*," continued Woodrow Wilson, "I would range those other functions (such as education, posts and telegraphs, and the care, say, of forests) which are undertaken, not by way of *governing*, but by way of advancing the general interests of society—functions which are *optional*, being necessary only according to standards of convenience or expediency, and not according to standards of existence; functions which assist without constituting social organization."

The development of *Ministrant* functions since Woodrow Wilson's day as a professor at Princeton University has taken in more services than he might have imagined. They have been employed to advance socialism at the cost of private property, private savings, and private enterprise. They have cost so much that the *Constituent* functions have been neglected, as in the provision

of police protection, to such an extent that society is visibly collapsing, because when what is necessary is neglected, that which constitutes civil society crumbles.

Of the distinction between what is necessary and what is optional the City Hall gang, including the Mayor, the Supervisors, and the Real Estate Association, knows nothing and would care less, if it were mentally capable of making a distinction. Seldom have we witnessed such exhibitionism in contempt of the body politic. The people were told that it was their fault that they were not at the Board of Supervisors every Monday afternoon to keep the Supervisors and department heads from robbing them. The virtual admission of all the politicians on the stage was that they were not the representatives of all the people, but panderers to pressure groups.

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