

THE CALIFORNIA IRRIGATION ACT—By J. Rupert Mason

THE FUNDAMENTAL purpose of the California Legislature in enacting the epochal Irrigation District Statutes in 1897 was to enable the people holding arid and semi-arid land to put their land into a District with power to borrow money to finance the cost of building wells, canals, and incidental public improvements. In 1919 the statute was amended to allow such districts to generate and distribute electric energy.

The Legislature delegated to such districts the sovereign power of the State to tax the value of land, and the exercise of this power has supplied most of the money since collected by the districts to meet their operating and maintenance costs and pay their obligations.

But, experience with big absentee land-holders, who would neither sell or suitably improve the land they monopolised, resulted in an amendment to the law in Stat. 1909, p. 461 which authorised the exemption of all buildings, improvements, planted orchards, vine-yards, etc. from district taxation, and enabling the district to collect all their necessary revenues by an annual tax on the value of land, alone.

A terrific opposition to this salutary amendment was quickly seen, which never to this day has stopped, or even eased. It caused Mr. Geo. H. Maxwell to argue in a case before the U. S. Supreme Court, (Fallbrook I.D. v. Bradley, 164 U.S. 112) that the statute involved is "communism and confiscation under guise of law." But the Supreme Court was not frightened by the argument, for it approved the statute.

The 1909 amendment soon exerted pressure on the holders of idle land to suitably improve it or sell their title at a figure others were willing to pay, which effect was lauded in 1911 by an article appearing in the newspapers in Modesto Irrigation District, from which the following is quoted: "As a result of the change in taxation, many of the large ranches have been cut up and sold in small tracts. The newcomers are cultivating their farms intensively. The new system of taxation, in collecting all of the taxes from the value of the land, has brought great prosperity to our district. Farmers are now encouraged to improve their property. Industry and thrift are not punished by increase in taxes. In the Modesto Irrigation District the man who builds a house or barn will not have his irrigation tax increased. He will pay no more than his neighbour next door who allows weeds to grow on his land."

The adjoining Oakdale Irrigation District comprising over 60,000 acres, issued a statement in 1914, also signed by the City officials, reading in part, as follows:

"Speculators do not buy land here; each sale is made to an actual settler who brings his family among us, builds a decent home, seeks to better the conditions of the neighbourhood and adds greatly to the prosperity of our community. Our experience has taught us that the more you relieve buildings and improvements from taxation the quicker will the country improve. . . . Our farmers put the land to its highest use, the use that is most beneficial to the whole community; our system of taxation compels them to do this and they reap a greater profit for themselves. . . . We make the man who keeps his land idle pay the same as the man who improves."

The execution of this taxing principle in the Modesto, Turlock, Oakdale and So. San Joaquin Irrigation Districts, which adjoin each other, and which contain about 380,000 acres, has served to force the break up of the former large holdings, until to-day the average size of the orchards and farms in the four districts is well under forty acres.

In these four great districts, there is not and never has been a charge or toll for water used by any land-holder, and the fact that the districts collected their necessary revenues by an annual tax levied upon the value of all privately held land resulted in compelling every land-holder to contribute to the

support of the district in proportion to the value of his land, and regardless of whether he used any water or not. Thus, these districts have not collected their taxes from land users as users, but only from what would otherwise have gone to the land-title holders, as owners, and such surplus owner appropriated rent could and would have been capitalised by them into higher prices demanded from home-seekers for a title deed to the land. Not that land speculation has been eliminated in these four districts, but the system of taxation employed has served to greatly lessen it, compared with surrounding areas, which taxed buildings and improvements in addition to taxing the value of land.

Voting at Irrigation District elections is not restricted to those holding land, and the great benefits to the common good within these four old districts were soon recognised throughout the State, and led to the formation of about 100 similar districts, which to-day contain about 4,000,000 acres of the finest and most attractive rural and urban land in California, producing about 75 per cent in value of all the agricultural crops in this State.

Several Districts organised and functioning under this venerable law have also issued bond to finance the cost of acquiring large hydro-electric generating plants and distribution systems, and are selling electricity for all purposes to both urban and rural consumers, and to many important industries which have located within the districts, due to the low cost of land, low cost of water and power, and favourable character of the people employed as workers in the industries.

Modesto, Turlock and Imperial Irrigation Districts are deriving important revenues from their power systems, and the consumers are getting electricity at rates far lower than they ever knew before.

The Constitutionality of this important California statute (Stat. 1897, p. 254, now Chap. 368, Stats. 1943) has been fully sustained by the Supreme Court of the United States in several epoch making decisions.

Its provisions have supplied the pattern for similar laws in many other Western States, and the experiences gained by application of its radical features constitutes a saga of local self-government, without any federal or state grants, subventions or other attempts to shift costs on to the shoulders of those not directly benefited by the public improvement works.

ALDOUS HUXLEY THINKS AGAIN

IN HIS introduction to a new edition of his well-known novel *Brave New World*, Mr. Aldous Huxley reveals a considerable modification of his views since the book was first published some fifteen years ago. According to a report in *Time*, September 30, he writes:

"The hero (of *Brave New World*) is offered life in Utopia, or the abnormal life of a primitive . . . insanity on the one hand and lunacy on the other . . . If I were now to rewrite the book, I would offer a third alternative, the possibility of sanity . . . in a community of exiles and refugees.

"Economics would be de-centralist and Henry Georgian, politics Kropotkinesque and co-operative. Science and technology would be used as though, like the Sabbath, they had been made for man . . . Religion would be the conscious and intelligent pursuit of man's Final End . . . the transcendent Godhead."

It may be too late, as Aldous Huxley remarks, to patch up his *Brave New World*, but we very much hope it is not too late for him to produce a new work which will reveal the whole extent of his own redemption and his interpretation of the Henry George philosophy as applied to the problems of our day.