

CALIFORNIA

The Editor, *Land & Liberty*.

SIR,—The Irrigation District Act of California, which embodies the principle of raising the money necessary to support the community by the levy and collection of an annual tax on the value of the land, and the exemption of all buildings and improvements from such taxation, has been upheld as valid and constitutional by the Circuit Court of Appeals of the U.S. in the case of Wells Fargo Bank v. Imperial Irrigation District, 136 Fed. (2) 539.

The decision has been appealed, and is now submitted to the Supreme Court of the U.S., which may or may not grant the writ. But, even if the writ is granted, I have no fear that the Supreme Court will reverse this point in the case.

There are over 100 districts in California now carrying on under this law, which include about four million acres of the richest fruit, vegetable and farm land, and scores of cities and towns as well, with a population of well over 500,000. In not one of these communities have the people voted to raise the money necessary for community expenses by a tax on improvements (as they have the full right and privilege to do any time under the law). The conclusion that they recognize the advantages to the common good in rating the value of land, and not penalizing the industrious who build on and improve the land, seems not only justified but irrefutable.

The financial difficulties that so many of the over-mortgaged holders of deed to land in these districts faced a few years ago, and which caused many of the districts to suffer temporary financial difficulties are just about over, and the credit standing of the California Districts is again very good and strong. They have no difficulty in borrowing money for any necessary improvements at very low rates of interest.

Another court decision of equal importance and interest to every Georgist was made by the Supreme Court of California when it granted a rehearing, and then reversed its first decision by a vote of five to two, in Mercury Herald Co. v. Moore, 138 Pac (2) 673, on 1st June, 1943.

The basic question before the court was whether the period of redemption allowed by law to a holder of title deed to land in California is a "property right" or a mere "privilege."

The State law had long provided that if the taxes on the value of land were not paid when lawfully due, the holder was allowed five years time to pay before the land was "sold to the State," and also was allowed to redeem any time after five years, if the land had not previously been sold by the State to others.

In 1941 the Legislature abolished the indeterminate privilege of redemption after the five-year period, and in lieu thereof allowed the title holder a maxi-

mum of one year, in addition to the five years.

In its first decision, the court ruled that the legislature had taken away a "property right" from the person who had not paid taxes. In its second decision, the court ruled the period allowed for redemption, after taxes on land are due and payable, is a "privilege" which the legislature has full power to regulate and control. In its second opinion, the dissenting judges insist that the court has reversed "a very long line of cases." If that be true, it was high time that it did so?

There have been many decisions handed down by the Supreme Courts of the U.S., and the 48 States, during the past year, involving much the same basic question, and nearly all uphold the power of the States to tax the value of land, and to acquire the title for any unpaid tax, as the State legislature may prescribe. Several States have leased, but not sold the public interest acquired in the land. See, for example, Laws So. Dak., 1939, Ch. 25.

The courts in most of the States have been snowed under with cases filed by bankrupt speculators in the title deeds to land, trying to circumvent the law, and by hook or by crook, hang on to the title until the "boom" returns. Many have succeeded, thanks to the tax sale moratoriums, which were passed for their benefit in most States, and the delay by many courts to decide the cases brought before them.

Now the "market price" of farm lands is rising in such a way that the Secretary of Agriculture, on 17th November, in a speech to the National Grange takes notice of it, and timidly suggests a surtax on profits resulting from the re-sale of farm land. (None on the first sale.) The land speculators have again tasted blood, and they find it much more appetizing than working for a living. I have no illusions that the struggle is nearly over, but the State courts are trying hard to "hold the line."

The current battle over "poll-taxes" is interesting, because certain senators contend that Congress has no right to allow a citizen to vote at a national election if he has not paid a poll-tax due to the State. They argue that this would violate "State rights." But when the Congress is asked to allow other citizens to retain the title to land upon which they have failed, neglected or refused to pay the taxes required by State law, the same senators are silent as the Sphinx, and none are heard to even suggest that Congress has not full power to regulate and control the taxes on land values, which State law has made mandatory and irrevocable. Clearly, if Congress has the power to rescue bankrupt landlords from taxes lawfully payable to a State, it must have the power to rescue the inalienable right of other citizens to vote at national elections, regardless of whether or not they have paid the poll-taxes laid by the State. The power must exist in Congress for both or neither. Yours, etc.,

San Francisco. RUPERT MASON.

LIBERAL LIBERTY LEAGUE

FREE LAND FREE TRADE FREE MEN

A MEETING of the Executive of the Liberal Liberty League, which is affiliated with the Liberal Party Organization, was held in London on 10th February. Considerable progress was reported since the inaugural meeting; arrangements for meetings at various centres, several in London and others in Cardiff, Manchester and Liverpool; publication of literature and recruitment of new members. Steps were taken to organize the first two meetings of the League, i.e., a Public Meeting in Cardiff and a "Brains Trust" in London.

MEETING IN CARDIFF

This is being held in the Park Hotel, Cardiff, on 9th March, at 6.30 p.m., Mr. Ellyn David, LL.B., presiding. Speakers: Mr. Ashley Mitchell (president of the League), Mr. T. Atholl Robertson (vice-president) and Mr. A. W. Madsen. The circular of invitation made manifest the objects of the League and went on to say: "The way to better social conditions is not through superimposed controls on the part of government or by putting industry or any section of the people under the care or assistance or discipline of the State—and if 'economic planning' means such subordination of the individual, it is utterly disclaimed. The true way is by the abolition of monopoly and privilege, liberating production and trade, offering full scope to private enterprise so emancipated; and, most fundamental, establishing a free land system whereby every encouragement is given to occupation and use, the community enjoying in revenue that which rightly belongs to it, namely, the value of land apart from buildings and improvements."

"BRAINS TRUST" IN LONDON

Organised as the "Good Society" Brains Trust, this is being held in the National Liberal Club on Friday, 10th March, at 7.30 p.m. The panel consists of Messrs. Ashley Mitchell, G. H. Winder, W. C. Woodroffe, A. W. Madsen, with Mr. T. Atholl Robertson as Question Master. Questions will be invited on freedom of enterprise, State controls of industry, collectivism, the rights of the individual, land value taxation, etc.

Mr. S. Martin addressed the Married Women's Association, Sidcup, on 10th February; on the "Principles of Liberalism," and in the course of his speech explained how fundamental both Free Trade and Land Value Taxation were. There was an extensive report in the *Kentish Times*. Following the part he took in the discussion at a recent Post-war Planning Conference, he was able to supplement the views he expressed by a letter which appeared in the *Erith Observer* of 18th February. The point was how the cost of the proposed developments was to be met, the relation which that had to the existing rating system, and the need for obviating the speculation in land.