

Responsible Liberalism

Will absentee landlordism make the California of the future a feudal state?

ROBERT TIDEMAN, executive secretary of the Henry George School in San Francisco, commented with admirable directness in a Berkeley radio broadcast, on a "water message" which Governor Brown of California presented as "the forward force of responsible liberalism."

C. D. Allen, past president of the California Society of Professional Engineers, who found fault with this plan, was quoted in reference to the south end of San Joaquin Valley where he said irrigation could increase land values 1,000 per cent, with the query, "as this area is sole beneficiary to the Feather River Project, why not ask this area to pay, instead of the taxpayer in nonbenefit areas?"

Said Mr. Tideman, "C. E. Salyer, who has 75,000 acres near Hanford in Kings County—came out of the Governor's office two weeks ago with a very pleased countenance. It was on his ranch last July that a \$100-a-plate barbecue for Brown was staged, and at the Democratic convention in Sacramento, Mr. Salyer was wearing a Brown button about the size of the stop light on a police car. Brown's water program, in its present form, is simply the payoff to interests of which Mr. Salyer is typical.

"The South San Joaquin Valley, Kern County in particular, is an area of large landholdings. If you were to spot on a map of Kern County the land held by Southern Pacific, by the Kern County Land Corporation, by the Chandler interests which publish the Los Angeles Times, and by other 'small farmers' like Mr.

Salyer, you would soon cover most of the county. Here is the territory to which Governor Brown wants to deliver water at general expense.

"The Governor says he wants to use the tidelands oil revenue for water development. What could be more proper, he suggests, than that the revenue from one great natural resource be used to develop another? Bear in mind that Brown says there is no alternative for California except higher commodity taxes, higher income taxes, higher taxes on business and consumers. He opposes using the tidelands revenue to keep down taxes. The tidelands revenue, you see, has been earmarked for Mr. Salyer, Kern County Land, Southern Pacific, the Chandlers and similar faithful backers of the great 'responsible liberal,' the great champion of California workingmen.

"I predict that California's labor movement will rapidly become disenchanted with Pat Brown, whom they helped to elect. Already his organized labor following is insisting that anti-monopoly safeguards be established in our water law. Labor representatives are calling for a California equivalent of the federal 160-acre law, forbidding the provision of subsidized water for more than 160 acres. Governor Brown is caught in the middle. He cannot please his big landholding supporters, who want the great fortunes that water would bring them, and the labor people, who are reluctant to pay the higher consumer taxes that will be necessary if the state is to use all available revenues for this purpose.

"Just parenthetically, note this:

the fortunes in unearned increment that would be picked up by the big landholders if Brown's water program goes over, are not taxable to the same extent that earned incomes are. If you work long and hard and effectively—weekdays, Saturdays and Sundays—and satisfy enough consumer desires to earn a good income, you may be taxed as much as 90 cents on the dollar by Uncle Sam. But if you belong to the clique of Salyer, Chandler, the SP and Kern County Land, and persuade a political opportunist to use the power of his office for your enrichment, the internal revenue bureau calls your unearned increment a 'capital gain' and limits taxation to 25 per cent. The plain moral is this: Do not work for a living. It doesn't pay. Instead buy land and contribute to the campaign funds of 'responsible liberals.'

"But the saddest part of the Governor's water message is not that a few millionaires are going to be made richer than before. After all, everybody likes to see people helped, and if Pat Brown can benefit some without hurting others, why not?"

"No, the real danger is not that some are getting what they are not entitled to. It is that others are being robbed to do it. California taxpayers are being told that higher taxes are an absolute necessity. They are not. They are an absolute robbery. California's water engineers up and down the state will tell you that if the state's water plan is carried forward on traditional lines, with irrigation districts—and where necessary, coalitions of districts—raising the necessary revenue from land values, as irrigation districts do,

there will be no need for higher taxes. The tidelands revenue can then be used to give the tax relief we all deserve, and the fine gentlemen who attended Mr. Salyer's \$100-a-plate barbecue for Brown's benefit, can enjoy the inestimable pleasure that goes with earning an honest living in this world.

"One other point should be made. If Brown's water plan is carried out, and the big landholders in the South get what they are after, there will be absentee landlordism in the San Joaquin Valley for many, many years to come. That area will become a little Spain, a little Italy, a little piece of Iran. It will bear the name of California, but it will not be worthy of the great traditions that have made this state what it is. Under California's traditional water development, as Bert Smith of the Irrigation Districts Association has pointed out, big absentee-owned farms were made unprofitable. Irrigation district taxes, levied as they have been on land values only, have compelled absentee speculators to sell their holdings to little people who brought in their families, settled down, and worked the land themselves. This is the real California of responsible liberalism.

"When Harold Ickes was Secretary of the Interior, he spoke of 'the age-old battle of who is to cash in on the unearned increment in land values created by a public improvement.'

"That battle is now being fought here. It will continue to be fought until Californians wake up and demand that these improvements be paid for by the landholders they benefit."

There are Hanovers in twenty states of the U.S. but there will be only one "Hanover of our dreams" for Georgists, and that is in West Germany where the Tenth International Conference on Land-Value Taxation will meet from July 25th to August 1st. Write to The Bankers and Merchants Travel Service, 511 Fifth Avenue, New York 17, N.Y. — but don't delay.