

Review Water Supply

WATER SUPPLY is a versatile multi-purpose literary project. It makes a stimulating text, and by far the widest reference, in water economics, with ^{bonus chapters} sections on technology and law to boot. It is also a vigorous theoretical polemic, and ^{reborn again by far, the most interesting} a topical political tract fired off ^(in vain) against California's Feather River Project. ^{It is also} The several purposes are

joined in substantial harmony. Some readers will object to a text's or reference's being so advocatory, but the authors' honestly label editorial opinions as such. Their ^{williness to hear w. r. n. s. s.} thesis, besides adding zest and relief to a long and crowded book, gives ^{purpose} direction and unity to what otherwise might be ^{the analysts} an anthology of the authors' previous independent studies. The chapter on technology, while it does seem more elaborate than necessary to fulfill its assigned task of persuading us that there are many alternative means to increase usable water supply, ^{get} adds a touch of materialistic realism that lends weight to the author's ~~opinions~~ conclusions.

The authors, jointly or severally, are skilled economic analysts and more-than-middling specialists in water. They are dedicated free-market liberals and unrepressed controversialists. They are ^{sophisticated} conscientious academicians who spar with the fancy-Dans of the ^{from rival} ~~other~~ stables with ^{sophisticated} ~~sophisticated~~ style. They are also plain talkers who hit us where we live at the ballot-box level.

The product is often disputatious, but rarely dull. In a world ^{of tasteless texts bowdlerized to offend no one} of tasteless texts bowdlerized to offend no one, the authors' ^{are} ~~peppery indiscretions~~ ^{are} weakness for old-fashioned limb-climbing is refreshingly candid and human. ^{Their willingness to hear w. r. n. s. s. is a world of good from a straddler} WATER SUPPLY is informative as to fact, provocative as to interpretation. ^{Their weakness for immoderate position} ~~didactic/informational and general/in~~ ~~complaint~~ It will not go far as a political tract because of ~~the~~ its querulous tone

As a political tract it suffers from ~~alternative imperious and~~ querulous moods, and a penchant for incendiary phrase-making of the Charlie Wilson school. The reviewer has found it most persuasive as a text. The reviewer's students

It is highly persuasive, however, to adults mature enough and students meek enough not to be alienated by its ~~didactic tone~~

~~idiosyncrasies.~~

statement of
conservative
doctrine on
many of water
specifically &
resources
policy query.

non-committal
discreetly non-

The product is ^{sometimes} often querulous, but rarely dull. In ^{the} ~~the~~ ^{textbook} world of innocuous non-commitment ~~gilded gray flannel banalizations~~, the authors' peppery indiscretions are refreshingly human. Their candor also makes for exceptional clarity.

They are not trying to ingratiate themselves w. us but ~~express themselves to us~~; not to ~~sell their books but persuade~~ ^{sell their ~~books~~ but ~~persuade~~} ^{virtuosity} ~~convert us~~. They may not be politics, or diffident, but they are forthright & unequivocal. Their positions may not be flexible but they are visible: reference points to steer by, if not always to.

Nor are they unperceptive, ~~to the un decided~~, although ~~as to~~ ^{of the Charles Wilson school, or} touchy readers ~~will~~ ^{may} bridle at occasional ~~then~~ ^{incendiary overstatements} ~~then~~ ^{and didactic} ~~then~~ ^{forward} ~~then~~ ^{position} ~~then~~ ^{tone that seems a little presumptuous in so} ~~then~~ ^{some readers} ~~are~~ ^{controversial as well} ~~are~~ ^{a minority report.}

A unique advantage of WATER SUPPLY is its wide and balanced coverage. It is easily the ~~most~~ broadest work ^{on the subject} in the field; an encyclopedia held together by ~~a subject and~~ an argument. ~~By comparison the recent works of Eckstein, Renshaw, Krutilla and Eckstein, McKean, Regan (The Green Book,) and Moley, each excellent in its way, shrink to monographs on aspects of Federal policy.~~ Only Huffman's IRRIGATION DEVELOPMENT ~~rivals~~ approaches WATER SUPPLY in coverage, but ^{that} is exclusively rural and primarily institutional. ^{Water Supply covers both rural & urban questions, both institutions and theory.} Some chapters of WATER SUPPLY open new territories.

One ~~new~~ such is the application of welfare economics to local policy. ^{The Green Book and its works} Recent ~~work~~ by Eckstein, Renshaw, Krutilla and Eckstein, McKean, Regan (The "Green Book",) and Moley focus ~~almost exclusively~~ on Federal policy. Hirshleifer, ~~Mililman and~~ De Haven, and Milliman encompass local and state policy, both rural and urban -- they are ^{at home} obviously more conversant with the latter. Good economists that they are, the authors accept the logic of marginal-cost pricing as their basic recommendation. Conservatives that they are, they insist, I believe mistakenly, that marginal costs generally exceed average costs of water supply ~~and~~ so that optimal prices will cover average costs and obviate any use of tax power. They see little need to develop the interesting implications of marginal-cost pricing with decreasing costs. They culminate in recommending differential peak load pricing, especially on a seasonal basis, and other kinds of price discrimination. Their ~~analysis would have benefited, I believe, from a clear distinctio~~ analysis and conclusions might have been different, I believe, had they more clearly distinguished the pricing and rationing of water F.O.B. ^{the} source, from the pricing and rationing of aqueducts. Regardless, they have opened an important new field and given us an excellent statement of ~~the~~ a conservative position.

Another important "first" is an economic evaluation of water law. As good economists the authors are properly appalled by the inflexible irrationality of the law and its allocations, and the high content of administrative and judicial discretion in the allocative process. Their posing of issues is a bit emotive

and prejudicial/-"Government Discretion or Property Rights?" --- and the answer hardly comes as a surprise. A pioneer venture may be forgiven for oversimplification. They have unerringly fingered the most important neglected topic in water economics and inaugurated, let us hope, extensive discussion and early reform.

Appraisers will miss, and economists should miss any treatment of land policy. Appraisers need no convincing that land policy is integrally related to public works of any kind. Ray Teele, whose ECONOMICS OF LAND RECLAMATION dominated the field of water economics until about 1950, emphasized the effect of water supply on land values, and lamented the troublesome lag of private land improvement behind public works' construction. That thesis would seem congenial to the authors of WATER SUPPLY, who, in anti-Galbraithian vein, deplore the greater ease with which capital flows into public than private investments. They might have enriched their argument ~~these~~ by relating it to the ~~lag of private~~ land-settlement lag, both rural and urban, a problem today exacerbated over Teele's period, yet less well documented.

Some basic land economics would also have enriched the treatment of benefit-cost analysis and the welfare-economic evaluation of public projects. Hirshleifer, De Haven, and Milliman are aware that water projects generate surplus benefits above what sellers can recapture by simple price. They propose tapping some of the surplus by elaborate and I think impracticable schemes of experimental demand-probing and price discrimination. They neglect to note that consumer surpluses are reflected in the rents and prices consumers bid for land within a project service area, and that ad valorem local taxes are a ~~practical~~ time-honored device to recapture the surpluses. The use of governmental taxing power is not always at odds with rational economy and the price system.

The authors' theses might be abstracted as follows. Society fails to use the price system adequately or correctly to allocate either water or the capital to develop water. Water rates are chronically too low, for these reasons: an irrational tradition against price-rationing of water; charismatic leadership that prefers glamorous pyramid- and empire-building to mundane stewardship of public funds and limited but adequate local waters; biased

bookkeeping ruses of governments at all levels to overstate benefits and understate costs, especially interest costs; the prescriptive element in water law that bases usufructuary control on early ~~development~~ ^{claim-proving} and so rewards premature and excessive ~~development~~ development; and legislative logrolling. Local shortages that might best be met by raising water rates to balance supply with demand are instead exploited to panic voters into supporting monumental works to import remote waters at high cost.

That the thesis is more than half true must be conceded by those who follow water affairs with any reasonable skepticism; that it is therefore important is self-evident. History will confirm, I believe, the authors' judgment of the FRP ~~and CWP~~. We are fortunate to have these outspoken analysts, concerned and informed yet un beholden to local interests, to say it so loud and clear.

The impact is weakened, however, by overstatement. Specific public enterprises are condemned not just because they warrant it but because the criteria are unduly restrictive. Private enterprise, with all its limitations, is the norm. Governments are not to exploit whatever proper advantages their nature gives them, but their weaknesses are ^{magnified} ~~pilloried~~. Public projects should be evaluated as though financed by revenue bonds. Benefits should be recaptured by price or not counted. ~~Antipathy to public enterprise is so overbearing that the devil often fails to be given his due.~~
~~In general the books/editorial positions may be criticized as lacking balance~~ *is sometimes denied his due.*

~~Antipathy to public enterprise has been allowed to overbalance that the devil often fails to be given his due.~~
~~several editorial positions, at least from the mugwump viewpoint of the reviewer.~~ An example is the treatment of water law. The authors attribute the uneconomic inflexibility of water allocations largely to ill-advised do-goodism in courts and administrative agencies. One would never guess from their treatment that it is a Federal agency, the Bureau of Reclamation, that stands for economic flexibility of water allocations, and local landholders and water districts who resist and ~~cling~~ clutch for inflexible apportionment of specific waters to specific lands in perpetuity. Neither would one guess from the extraordinary ~~treatment~~ dis-

cussion of *Gin Chow v. Sta. Barbara* that judicial, legislative, and constitutional limitations on riparian rights in California were calculated to clarify definitions of rights, enhance transferability, and actually to consummate some economic transfers.

The role of riparian rights in western water history has been one of negation, denial, and obstruction. The authors' idea that the goal of negotiable water rights is to be reached by confirming the inflated claims of riparian landholders smacks of a priori dogma ~~imposed on the wrong context~~, refusing to be confused by the facts.

Another imbalance is the authors' reproach ~~for~~ risk-pooling ~~to enhance credit ratings~~ when practised by governments, contrasted with their endorsement of the same practise when applied by corporations. Governments often abuse the principle, no doubt, but why strengthen the abuses by lumping them with the principle? If we're required to hoe down the crop with the weeds we might as well go swimming instead.

Another imbalance is the emphasis on underpricing and ~~tolerance of, or~~ silence about, overpricing, of water. Yet many cities use water supply as they do power and gas, ^{networks,} as tax-collecting ~~machines~~ ^{apparatus} to meet the municipal deficit. Irrational resistance to raising local assessments and tax rates is no less a factor than irrational resistance to water tolls. ^{In agriculture,} California Irrigation Districts have for years now raised more income from water tolls than ad valorem taxes.

← One wonders if the authors' outlook might differ if their early studies had centered on the moss-backed San Francisco Water Department instead of the exuberant one in Los Angeles. Economic waste from overpricing the abundant is as real as waste from underpricing the scarce.

Those imbalances are by no means fatal; ^{that they even} ~~and may only~~ weaken the thesis ^{is only} ~~they overstate in~~ one man's opinion. The authors are frank editorialists, not purporting to supply a balanced ration but an antidote for the undeniable excesses of ~~some~~ ^{the} monument-builders. On balance the reviewer must recommend the antidote as incomparably the best on the market, only ^{cautioning} ~~provided~~ the consumer ^{to} ~~supply~~ ^{to} himself

with some of the poison as well. ^{in their doctrine.}

Nor are the authors unbending ~~dogmatists~~ ^{dogmatists}. In earlier works they have imputed the notorious premature thirst of Los Angeles largely to ~~traditional/obvious~~ conventional villains: power-hungry bureaucrats, gulled voters, left-wing philosophers, ^{deceptive accounting,} and the like, ^{and they have a sizable vested interest in that out look.} Yet in the present work they introduce a rival villain, ^{the water law} ~~the water law~~ ^{who bids fair to make mere innocent bystanders of the others. This is the water law -} yer, with his principle of prescriptive rights. Within that context Mulholland the monument-builder, with his callousness toward interest and depreciation on idle capacity, ^{his bond issues and property tax increases,} begins to appear more rational, and even foresighted ^{in a parochial way.} He did not write the rule-book; he simply won the game ^{for Los Angeles.}

^{evolution of out look}
This ^{evolution of out look} willingness to evolve new ideas, even at the expense of cherished old positions, gives the book ^{one an} ~~an~~ element of greatness. ^{and it is when writers begin to show us the ironies and counter-}
dominants in polar stereotyped ^{ideal pattern} positions that they become interesting and creative, and, equally important, begin to find ~~constrains~~ ^{synthesize} reconcile the ~~best in~~ enemy by absorbing the best of his philosophy in new syntheses of their own. If the opposition wd evolve similarly, as the Harvard school seems to be doing, economists may yet ^{unite} ~~unite~~ ^{agree} on a few basic enough basic principles to ^{unite effectively} ~~unite effectively~~ ^{supply effective} ^{counsel & leadership} ~~to~~ on ^{the} ~~a~~ complex set of issues entailed in water supply.

Comments:

No. pp. 5-6 (5 cols. x 7 words x 40 lines = 1400 words)

Time: Thurs, Fri, Sat., Sun.

Points Blue Bk.

1. Designed as text, also state a position vigorously. Excellent combo. Has balance, useful as gurl ref.; also has interest bcs consistently controversial. Authors do good job of separating their advocacy from pedagogy, versus column from editorial, or better balanced. ~~More~~ Several recent books. This one more comprehensive, gurl. Eckstein emphasizes Fed policy. Morell a ~~straight~~ ^{aim} diatribe. Eckstein too dry, lacks punch. Morell, ^{other extremes, lots of punch but little content.} a diatribe. This more optimal, at least for gurl readers.
2. Radical conservatism, U. of Chic. persuasion. May not ~~be~~ make always correct, but always interesting. Cannot rest on appeals to ~~an~~ ^{instructions} of moderation. ~~For~~ Nor are content to rest on appeals to prejudices of like-minded. Good ext. Meet the enemy on common ground & w. standard weapons, throw down a challenge cannot be ignored.
3. Style. of int. to exts, ^{& by no means a popularizer.} but ^{gurl} readable, ^{extremely refreshing in this world of gray area men. But} Querulous. No one ed. accuse authors of repressing ^{Liberally apologetic w.} Bumptious gantlet-flinging, ^{probably alienate more innocent bytounders than neccy to make pts.} sacrificing any convictions to ingratiate selves w. their colleagues. Not a politic book in that sense again, do not suffer self-deprecation ^{but modesty} { altho will be extremely congenial to utility ~~of~~ ^{to} ~~viewpoint~~. ^{Also an opposing politicians' dream, abounding in such gaffes as "we do not see ... p. 131"} }.
4. Quite persuasive, even when wrong. Hvg. used on text, debated vs. it, not always won. Tend to get carried away, overstate case, but book is saved by their not gurlly bldg. on overrated conclusions but jerking back to ground level to argue each success & come on merits.
5. Basic theses, need emphasis
 - a. Ecze on local supplies before turning to monumental. Inevitable. But as to what blocks, take two stereotyped a Chicago position. The villains are all do-gooders. The role of ^{the} ^{conservative} holders of land & titles & who sit in freezing an irrational status quo is not acknowledged. One wd. never guess from rdy this book that it is ^{often} the USSR that works toward ~~the~~ ec. flexibility in wth allums. ^{part} local landholders who work for rigid frozen allums.

2

pose in ^{emoting &} prejudicial way: govt. dissection or property etc.

b. Wt. loan is prime barrier to ec. mobility of wt. Obvious to any ecst who
sees situ, but escaped treatment in previous lit. (Huffman?)
Also, p. 136, role of rt. of use doctrine in inciting premature movements properly stressed. Ch. 9, first time wt. law has
Custom Needs even more atten. Govt. faith in free mkt, but no def. of ~~land~~ ^{any property taken to task by} channels
w. in which mkt might opt. Free xfr of shares by making absolute xfrable property. Elsewhere,
curious lapse, berate movement away from rig. rt. in Calif., even tho in direction of more flexible.
c. F.v. subsidy is bad. } Greatly exaggerated idea of how alienable approp. rts are at present.

But uncritical of opn of priv. capt. mkt which allow ~~the~~ priv. corp. investors to
do basically same. ^{taxes drive out priv.; subsidies push in public. Much social cap. frozen, low productivity.}
d. Also rather loose w. concept of subsidy, no disting. ~~subsidies~~ ^{exog. subs., as TVA,}
from internal tax support, as LA. Latter is often simply rational appln of Mc
pric's in early stages of project. Treatment of c.s., show this is truly a
blind spot, discuss elaborate & unlikely schemes for p. diem, ^{but regard property taxes}
~~on benefited lands as another one.~~ ^{no mention use of}
x.e. taxes.

Is serious shrtcmg in value for v.e. appraisal. Appraisers need no
^{convincing} ~~reminding~~ that wt supply is a prime factor influence on l.v., ^{but authors of Blue Bk do.} This aspect is
largely untreated. None since Huffman has hit relation to l.v. — not Knuttila, etc.
Stein, McKean, Margolis, ... maybe GreenBeratz. Renshaw? Moley?

e. Nothing on lag of settlement behind p.w. — Huffman better. Synchronizing.

f. Nothing different about wt. Rightly sove mysticism. Overdo. Wt is diff.
from other nat. res. many ways: & nat. res. surely diff from man made in signif.
ways.

Might find construction reconciliation for issues by considering diffs as well as
similarities. Head-on, bull-like charges on enemy positions that might better
be outflanked or leapfrogged

Govt criticism: see issues in a one-D spectrum, left v. rt. Somewhat stereotyped,
lacking in surprise — ^{conclusion fairly predictable.} ~~res. don't in govt.~~
Wt res. don't. is just another battleground of some old basic philosophical issues.
Do not consider maybe nat. res. have some unique attributes — burden of

& Cathedra manner, didactic, condescending

g. Munis. wth rates, pro seasonal peak-load pricing.

h. MC price good, but turn it vs. usual moral, claim ~~Ag~~ cost.
also propose p. disin? Peak load pricing is big thing.

Gushy, unbalance: emphasise waste of underpricing, not overpricing
(Might have whole critique orgd. around unbalance)

Too many words berating some of more obvious primitive irrationalities, ^{& infernal waste, purposes, too few}
to desert finding the fire beneath the smoke

Unfortunate penchant for identifying friends as enemies, exemplified by treatment of Green Bk

i. p. 41, intimate shd. change for ext. Does this ever become major proposal?

j. While might be accused of trying to bulldoze readers, are ^{commendably} ~~delightfully~~ free of
greater sin of knowing us. ^{Only one cheap. The only math. is ful. & necy, & of a sort}
~~Proof even~~ ^{indeed will skip quickly over many}
~~more familiar to appraiser~~ ^{pages wherein elementary principles are} Everything point. Most theoretical
points are transliterated into ^{a vigorous} ~~the~~ common tongue. which reviewer's students
have found most persuasive, even as to points on which teacher disagreed.

Rushed together a little too hastily ^{for its ambition of wide quality.} - marred by numerous overstatements
& occasional downright errors. — the writers are clearly more conversant w.
munis. than rural wth instrum., but have

Unbalance: much concerned re compensat'g losers from wth w. rich
but criticize tax's gains of winners, e.g. Sto. Maria inside I.D.

Unbalance: jump on unsophisticated expression of opposition, but cite w. approval
reporter's nonsense of Withbush; Oriental Despatch & impassioned raging of Morell.

4

Good balance: good & resourceful theoretical econ., also ^{made serious effort} ~~troubled to~~ familiarize selves, ~~etc.~~ w. many basic facts of wto law, technology.

4. Underpricing predominant, minis. wto.

Overstatement might say it better. Here they abandon MC pricing, look only at ave. returns. Also overextension to global market territories, rather than capacities. Thruout system.

Overbldg due to approp. doctrine.

Stress diffs. of public vs. priv. ownership, forget about price policy.

2. Priv. Enterprise is the norm. p. 141, e.g., evaluate all proj. as tho. forced by rev. bonds.

Why shd. munic. govt. not take advantage of its tax base to get better i.r.?

~~Wtd. GM shd. GM deny itself advantages of size in finig?~~

~~Some gov. they make little gesture at intg. counter position, rest on proof by vigorous assertion.~~

Chap. 8, Techn. intro. hardly integrated w. ec. anal. Book is pieced together from indep. previous work of jt. authors, & shows it. Chs 2 & 8, presumably written by de Haenen, are straightforward statements in usual ^{technology} textbook style, seem out of place same book w. fervent editorializing other chaps.

Sophomoric... i.e. unbalanced. Excited about demonstrating one class of diseconomies. Not political, but "political" in sense of defending a position at cost of some objectivity.

One wonders if Prof. Mullin had happened to write his thesis on the ~~over~~ overpriced S.F. W.D. he wd. have become = by exercised about overpricing of wto.

Excellent antidote. Writers presume readers hv. already bn. poisoned w. propaganda of monument-builders. 9/10. may supply very balance

Warnings re hi cost of FRP w^{re} abundantly vindicated by recently announced price of \$ --- / a f.

Premature & overambition p.w. invmt. But inadequate atten. same old villains - (logrolling Congress, empire bldg bureaucrats,) ~~fuzzy de-graders.~~ More fuzzy-headed Fair Dealers. Holding up conservation end of ^{heated} ~~grad.~~ school debates. 9s too much of + heat - no longer new, & seems of it are dist. gratis by E.C.I. Real contribution of book are ff:

Premature ~~over~~invmt. Omit slow devmt of lands

✓ Emphasis on approp. doctrine, real step fwd. from Mill's earlier interpers
✓ Encourag'g evolution of author's views manifest.

Low 90 ret. on invmt. no criterion. Bes ave value much higher than input.

A r.e. values alluded to several times, but mainly as an unworthy element promoting unwise projects. It often is, but imbalance. is also a mere of part of project benefits.

Will be more effective to let liberal econ carry ball vs. logrolling & boondoggling. as Kruttsch & Eckstein.

Overstate resistance to p increases. Calif. ID's hv. for long time gotten more from tolls than taxes, many cities use w^{re} dist. as ~~res.~~ source of ret rev.

Emphasize charismatic power of pyramidal blobs, but for every such, is a crossback

Their conclusion emphasize their less signif. findings. Overexpansion is attributed to a. Charismatic leadership. b. "simple oversight" of more ex. alternatives c. Biased conventional analytical techniques. Omit approp. doctrine: logarithmic; relation to L.S.

W to supply a highly differentiated product. Authors are: a. Skilled ex. analysts; g^h dedicated idealists; j^d ardent controversialists; ~~d. radical conservatives,~~ ^{editorial design & propagation of the facts}

(d) Free-market liberals (b) ^{more than} self-made water experts ^{more than} at least ^{middling} journeymen with experts specialists

The product is readable, vigorous, ^{assumptious} querulous, ^{assertive} informative, provocative

Recent. the f

Blue Book

1. Describe authors & book, p. 6

Typical analytical tract fired vs. FRP.

Teacher. ^{supposedly} identified as
illustrating wide range of
altern. supplies sources.
but that to reader's
encyclopaedia held

Multis-purpose product: text, ref. polemic, / purpose giving confidence. Sustained together by an argument. Unusual reading experience, argument often laid aside for news but once one gets the alternating moods it is readable. Editorial sections are well posted as such, & break what coverage. Unusually well balanced. Techn., th., instr. right otherwise he textbooky manner.

2. ^{pp} Coverage, unusually well balanced. Techn., thy. instr.

Fills ~~the~~^{gaps} Previous efforts by cuts in this field nr. left.

W or law - a first. Evaluate by ec. standard, integrate.

Micro or local level, apply welfare eqs. Not afraid of

Micro or local ...
Techn., completely missing elsewhere. $p = mc$, claim by org. group.
Not well integrated. Pieced together from previous indep. work, & shown as
revision

Also One serious ^{omission} gap, esp. missed by appraisers, land policy. Teale, whose Es of

Reel. ^{virtually monopolized} stood ~~alone~~ in this field until Hoffman Regan's ¹⁹⁵⁸ Green Banks & Hoffmann's opened the floodgates ~~inaugurated the flowering of~~ in the 1950s, devoted major attn to the

effect of wth devmt on l.v., & the ^{depr} effect of lagging land devmt on ec. success of projects. The problems Teale deplored are with us yet. if anything exacerbated, & have ^{more than} multiplied in their direction. Teale's major

but no recent writer except Haffner has [↑]honoured
contributions not even in index. Blue Bl's only ref to L's. is to hold it up as an ~~other~~ ideal model.
^{based part of} the subject is missed not ~~just~~ ^{only} for a chap. in text but as integral part of

bound part of the subject is missed not ~~for~~ for a long policy you written discuss. Esp. missed re b-c anal & welf.-ec. evaluation of progs. The writers position is ~~proper old-fashioned but~~ feasibility to more liberal ec. feasibility are aware that w/o projects create benefits in excess of ~~price~~ what can be captured thru simple price. [In this 'cons. surpl.' they recommend p disin.]

They seem genuinely unaware that non-salable benefits, including c.s., tend to be captured in ~~the~~ ^{land} ~~rents~~ ^{rents} within the land service perimeter, & that ~~these~~ ^{these} ad val. local taxes are a means of recapturing such non-salable benefits.

3. Major thesis: ^{land does not} price system not adequately used in wt. Prices ^{driven} kept too low.
 "nation" by price "leadership" to ~~assured~~ ^{threat} builders who

[illegible]

society ^{refuses to} ~~allow~~ ^{meet} with shortages by ~~national or~~ ^{more of} raising prices, to balance supply & demand. Shortages must be relieved by monumental projects, even while much of local supplies are withheld un-
-sely.

4. I, a very impnt. thesis. ~~Deserve credit~~ History with confirm condemnation of FRP

4. ~~Backlog in treatment~~ Unbalanced in treatment.

5. Exposition properly ~~balanced~~ weakened by overstatement, altho the effect of this will vary w. the reader. Couage balanced, treatment not.

refreshing penchant for aggressive limb-drinking, sorely missed in world of colorless academic
organ men.

One has feeling the devil in this firmament were defined a priori, & investigation of facts has only partly modified the prototype. Life really more complicated. [Weakness for presenting opposing case in weak or absurd forms, leave on challenged more sophisticated argumentation] Several e.g. of imbalance:

Inflexibility of wth ^{alloc} attrib. largely to ill-advised do-goodism ^{the practical} by cts & adm. agencies. One wd. never guess ^{exemplify weakness for posing issues in emotive & prejudicial terms.} Reader left ^{unsure} whether, in least analysis, it is ec. freedom, flexibility, & mobility, or ^{pro-vested privilege sanctified by time & that wd.} claim writers' ult. allegiance. ^{where the 2 conflict.} Condemn FRP, history will vindicate. ^{Let give impression condemn it not neccy bcs it is warranted} nearly justified, by applying unreasonably stringent & restrictive criteria of evaluation. Condemn Colo. ag. e.g. on grounds property tax, which treat as subsidy, was used to help force it. But a tax on benefited lands is not to be cfd to exogenous subsidy, it is basically an alternative means by which a community pays for its wth supply, or part of it. ^{all projects & their parts should be evaluated on the basis of res. boards.} Use of state credit to secure lower i.r. for night projects is scored. ^{parallel phenomena in} 1. r. subsidy is as real as any other, easier to disguise, & exploit old Thomist pre-judices. Important message, esp. re extreme, ^{with free money.}

Present 'wrong' side in absurd vulgar forms meet w. sophisticated arg. Never get in ring w. Jimmy Dore's from other stable.

W = law. Converted to use as clubs to beat liberals. ^{expansive} Important disclosure re irrationality etc. w. not be allowed ^{integrated w. total ideology} to disturb previously cherished intensions. ^[Omitted from conclusion] Premature thrust of LA may be largely attributed to pressures of prescription etc elements of wth law, w- in which context ~~the monument~~ Mulholland the monument ^{Mul. & LA accepted the rules of the game} looks indeed appear foresighted, albeit a bit parochial. ^{the game} levelled vs. his acctg concepts might better be redirected toward wth law, ^{under which has operated.} Mulholland & LA accepted the rules of the game & won it. ^{If the rules were} wrong

If we don't like the rule book let's criticize those who wrote it, not those who play the game. ^{the game}

there is irrational resistance to ad val.
taxes as well as to charges.

Emphasize underpricing, not overpricing.

Emphasize underpricing, not overpricing. Yet many cities use water supply as they do power & gas, ~~as~~ as tax-collecting networks to meet the city deficit. Calif. 10s hr. for gas raised some in prices w/o really ^{than} ^{advised} ^{them}. One wonders if

Millman's outlook wd. differ if his ~~late~~ early studies had centered on the mass-backed
\$7 WD instead of the exuberant one in LA. The waste of overpricing the

abundant is as real as that of underpricing the scarce. The ~~rest~~ authors' conclusion
evidence of low returns to invents in who supply indicates overtaxation as much as underpricing,
but they wd. have to be more sympathetic than they are to alternative modes of local force to
^{emphasizing that interest as it deserves.}
The latter is more scrupulous in insisting on compensation for anyone whose

but they wd. have to be more scrupulous in insisting on compensation for anyone whose ^{improvements} ~~that~~ ^{are} interfered with or destroyed.

a fourth imbalance. Written are more than scrupulous in insisting on compensation for anyone whose land or ^{business} ~~with~~ ^{one} taken for higher uses. Other hand, as mentioned ^{in abstraction to} ^{enhancement of pub. lands by} ^{publ. interests} regard taxes on lands benefitted by wt supply as unwarranted impositions.

Inevitable in such ambitious project, a few errors have crept in. Not serious, some where affect conclusion. ^{specifically,} Allegation that ^{many} approp. etc. ~~are~~ have been freely used in Calif. is I believe incorrect.

Is also inevitable such a vigorous bumptious book wd. provoke much dissent.
Despite shortcomings, reviewer ^{fatal} ~~too~~ ^{persuasive} Authors are frank are frank editors.

Respite shortcomings, reviewing ^{fatal} ~~the serious~~ Unbalances not shortcomings. Authors ~~are frankly~~ are frank editorial-
ists, not purporting to supply balanced reason but antidote for ^{the undeniable} ~~what they believe~~
~~to be~~ excesses of perpetrated by the monument bldrs. On balance the reviewer
^{recommends} ~~regards~~ the antidote as ^{inexpungibly} the best on the market. ^{The consumer should not neglect to take} ~~provided taken in con-~~

junction ~~was~~ the poison, first, however,
also show signs of evolution. Hv. tempered earlier condemnation of L.A. ...
He hopes however authors will continue the evolution which marks

He hopes someone will
 this book as so superior to their earlier piecemeal efforts. W/o losing
 their ~~entire~~ ^{total} ~~dedication~~ ^{commitment} for self - commitment they might yet concede a
 few pts to the opposition, & incorp. some of its more valid arguments in a ^{constructive} synthesis
 that might resolve several issues w. the pleasant surprise of ^{ingenious} a deviation from Chicago orthodoxy
 If opposition wd evolve similarly, we might all yet agree on a few ^{basic} ~~simple~~ points
 as indeed the Harvard school seems to be,

things before ⁱⁿ time to unite effectively vs. the calloused & parochial self-seekers in Congress & some agencies who ^{constitute} are the perdurable opposition to economy in the public interest.

~~22~~ ^{one} that appraisers will keenly miss,

~~One serious omission~~ will be regretted by appraisers. Land policy.

The ^{one} ~~glaring~~ omission, is land policy, an oversight that wd. be serious in any book on wtr. Appraisers & others interested in land policy will regret omission of

that topic. ^{merely} ~~hardly forgivable~~ in one of such comprehensive purport as this. Appraisers will

need no convincing
that the two

topics are integrally related.

wtr. ess. until 1950, focused attn. on the effect of wtr supply on l.v., & ^{lamented} the

serious lag of ^{prt.} land devt. behind p.w. That thesis wd. seem congenial

to the authors of Wtr Supply, who ^{in conty. Galbraithian vein} deplore the greater ease w. which cap. flows

into public than prt. ~~de~~ invests. They might have enriched their thesis

~~treatment much~~ by relating it to the lag of prt. land improvement behind

~~pr.~~ dev. by ^{monumental} p.w., a problem today ~~more~~ badly exacerbated over the times

Teale treated, yet less well documented.

Some simple

Land ess. ^{wd.} ~~might~~ also have enriched the treatment of b-c and. &

the welfare-economic value of public projects. H, M, & de H. are aware

that wtr projects create ^{surplus} benefits above what sellers can recapture by

simple price — they propose ~~recap~~ tapping some of these ^{surpluses} by elaborate &

I think impractical schemes of p. ^{consumer psychodynamics} ~~discrimination~~. They ~~seem genuinely unaware~~

^{neglect to note that} that non-salable benefits tend to be trapped in land rents w-in project

service areas & that ^{ad val.} local taxes are a means to recapture

such benefits. This constitutes a ? In this case they seem to have let

their ~~great~~ antipathy to ^{public} ~~govt.~~ enterprise overbear their ~~grnd.~~ excellence

as ec. analysts. & leave a serious blind spot

The author's major theses might be abstracted ^{& integrated} as follows: Society fails to use the price system adequately or correctly ^{either} to allocate ^{either} wth or the cap. to dev. wth. Prices are chronically too low for ~~the~~ reasons: an irrational traditional bias vs. rationing wth by price; charismatic leadership that prefers glamorous ^{empire-bldg} pyramid-bldg to mundane ~~as~~ of stewardship of limited but adequate local res.; biased bookkeeping ^{reuses} concepts of govt at all levels, overstating benefits & understating costs, esp. interest costs; the prescriptive element in wth law that rewards premature devt & inflated claims wth; and legial. logrolling. Local shortages that ^{best} might be met by raising prices to balance supply w. demand are instead seized upon as ~~excuses~~ for to panic voters into supporting monumental projects to import remote wth at needless cost.

That the thesis is ^{important} ~~at least~~ half-true must be conceded by anyone who follows wth affairs w. a ~~grain~~ of reasonable skepticism.

History will ^{believe} confirm. I ^{e.g.} believe, the authors ^{judgment} condemnation of the TRP as ^{& CWP} ill-advised ~~ad-~~ ventures. ^{We are fortunate to have these bright observers, concerned yet with justice, to say it so explicitly, loud & deep.} ~~set~~ authors impact is ^{seriously} weakened by impression they leave that they ~~would~~ condemn ^{specific} public enterprises not just because it is warranted in any case, by applying ^{antipathy} to public enterprise sometimes overbears ec. analysis. ^{but} public projects. Pvt. enterprise, w. unreasonably restrictive criteria. ^{generally} their government ^{while emphasizing all their drawbacks.} Public projects shd. be evaluated as all its limitations, is the ^{norm}, ~~despite~~ ^{despite} their government. Benefits not recapturable by price are too forced by revenue bonds. Hardly even permissible to count, or recapture in taxation.

The excellent balance of the book's coverage is not ^{completely} matched in its editorial position, which ^{are} occasionally permitted to overbear the analysis.

One example is ⁱⁿ the treatment of wth law. ^{The authors attribute the unrec. elements of inflexibility of} ~~unrec. elements of inflexibility of~~ ^{it is} the inflexibility of wth law largely to ill-advised do-goodism in courts & admin. agencies. One wd hardly ever guess from rdg Wth supply that ^{it is} a Fed agency, the B of R. ^{that worked hardest} has long ~~been~~ sought to achieve

greater ex. flexibility of w^{te} ~~top~~ allocation, & that local landholders & w^{te} districts have ^{re-}insisted ^{& clung to} inflexible ^{specific} apportionment of w^{te} to specific lands.

Neither wd. one guess from the ^{extraordinarily} discussion of Lin Chow v. Lito Benbara that the movement ^{to limit rip.} toward approp. w^{te} in Calif. was ^{calculated} ~~in part~~ ^{motivated} ~~as an effort to~~ have force clear definition of vague rip. w^{te} clarify defs. of w^{te}, & to enhance ^{some} make them more explicit, & in the Lin Chow actually to ~~offer~~ consummate ^{some} ex.

~~The authors deserve credit~~
~~for the attempt to review~~
~~the Ekestein for the attempt to review~~

Another imbalance is the ^{condemnation} of the authors' credit rating when practiced by ^{govts. controlled w.} ~~govts.~~ and their hearty ^{endorsement} ~~approval~~ of the same principle practiced by private ~~officiss.~~ corporations. ^{Govts often abuse} The principle, is often abused, no doubt, but ~~one does not~~ why strengthen the abuses by lumping them with the principle? ~~Dismiss~~ If we ^{required} ~~have~~ to hoe down the crop w. the weeds we ~~might as well~~ rest on the porch. go swimming instead.

A third imbalance is the emphasis on underpricing ^{w/0 much concern for} ~~the exclusion~~ of ^{over} ~~under~~ pricing.

Appraisal Jnl

Add P on why imptnt to appraisal of l.v.

Thermal belt e.g. wd. be in point. Also note other areas where no effect bcs already have enough

Propensity to pontificate