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Opinion

California's deficit of common sense

The state has plenty of money and resources. What we've been lacking is a real-world discussion about how we distribute them.

By Rebecca Solnit

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California is rich. Even in the midst of a drought, we have lots of water, and in the midst of a recession, we have lots of money. The problem is one of distribution, not of actual scarcity.

This is the usual problem of the United States, which is not just the richest and most powerful nation on Earth now, but on Earth ever, and one of the most blessed in terms of natural resources. We just collectively make loopy decisions about how to distribute the money and water, and we could make other decisions. Whether or not those priorities will change, we could at least have a reality-based conversation about them.

Take water. My friend Derek Hitchcock, a biologist working to restore the Yuba River, likes to say that California is still a place of abundance. He recently showed me a Pacific Institute report and other documents to bolster his point. They show that about 80% of the state's water goes to agriculture, not to people, and half of that goes to four crops -- cotton, rice, alfalfa and pasturage (irrigated grazing land) -- that produce less than 1% of the state's wealth. Forty percent of the state's water. Less than 1% of its income. Meanwhile, we Californians are told the drought means that ordinary households should cut back -- and probably most should -- but the lion's share of water never went to us in the first place, and

we should know it.

Americans usually have fantastic visions of where our resources come from and go. A lot of Americans seem to believe that the federal government spends tons of money, rather than a small percentage of the federal budget, on the arts and foreign aid; but in fact, about half of discretionary spending goes to the military -- the largest and most expensive military the world has ever seen, one that costs nearly as much as all the other militaries put together.

In discussing the national financial crisis, the military was never really on the chopping block, even though its budget could, with a little paring, provide healthcare, education, environmental restoration, some cool climate-change adaptation and all the other pieces of a good society and a great nation. Do we really need several hundred military bases in more than 125 countries? And all those expensive toys? And the research programs to do things like weaponize insects? Do we need them more than we need to keep children healthy?

Speaking of poor children reminds me of Sitting Bull, as good an authority on our economy as anyone, even if he wasn't an economist and even though he died in 1890. After the Lakota were defeated, he joined Buffalo Bill's Wild West show for a season, but he never got ahead financially. He gave the bulk of his earnings to the street urchins who hung around the show. He was shocked that a nation powerful enough to conquer his people couldn't or wouldn't feed its own future. The white man was good at production, he concluded, but bad at distribution.

It's the same today. We have enough in this nation to feed, clothe, shelter, educate and provide medical care to everyone. If the will was there.

In California, the story is the same in spades. Take our state budget crisis. A British newspaper recently ran a rather melodramatic piece about California as a failed state and compared us to Iceland. It was a wacky comparison. Iceland went bankrupt because its bankers spent lots of money they didn't have. California is in conniptions because it has lots of money it won't spend. I'm not talking about raising individual taxes, though it would certainly make sense to revisit Proposition 13, and we'd have an extra billion dollars if we hadn't phased out estate taxes.

But look at corporate taxes! According to the nonpartisan California Budget Project, if we taxed corporations the way we did in 1981, we'd have \$8.4 billion more coming in. That would wipe out more than a third of the budget shortfall that led to the draconian cuts (and cover about what we spend annually on the world's second-biggest prison system). We're home to the fifth-largest corporation in the world, Chevron, whose profits were \$24 billion last year. Chevron has lobbied to keep corporate taxes low and to avoid paying an oil severance tax -- a tax on oil taken out of the ground (and we're abundant in oil too, for better or worse). Texas charges one, but we don't. A few years ago, Chevron worked hard to defeat Proposition 87, which would've levied a severance tax capped at 6% of the oil's value -- but Sarah Palin's Alaska raised its severance tax to 25%, a figure that would bring in an estimated \$4 billion or more.

Examine the way that we changed corporate income tax policy in the crisis years of 2008-2009 to give a small number of corporations tens of millions of dollars a year in tax breaks -- \$33.1 million apiece, on average, for nine corporations; \$23.5 million to six others, according to the California Budget Project. There's money there, ripe for the picking, and powerful forces to prevent that from ever happening -- or maybe weak forces, because it's our Republican legislative minority that prevents us from ever achieving the supermajority to raise taxes (and our weak Democratic majority that goes along with crazy tax cuts amid a crisis).

Turning California into a Third World nation where the environment is neglected, a lot of people are genuinely desperate and a lot of the young have a hard time getting an education or just can't get one doesn't benefit anyone.

We're not poor in money or water. We've just chosen to allocate them in ways that benefit tiny minorities at the expense of the rest of us. We should at least have a conversation about how we distribute our abundant resources. Derek is right: California is a place of abundance, except when it comes to political sense.

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