

should pass it on to others to read. Then discuss it amongst your neighbors. It does not make any difference whether you own a home or you rent a home. YOU ARE BEING SUBJECTED TO EXTORTION IN TAXES AND IN ELCTRICITY CHARGES AS YOU WILL FIND OUT IN THIS NEWSLETTER.

To understand the electricity swindle, one must understand exactly what an investor owned utility is, and what a government owned utility is. The Nevada California Power Co. was an investor owned utility. This means that it is privately owned by a lot of persons who own stock in it. An investor owned utility can not tax the people. However, it must pay taxes itself just like you the resident taxpayer does. The Imperial Irrigation District is a government owned utility. It does not pay any taxes. It can collect taxes from the persons who live within the limits of the District. THE IMPORTANT THING TO REMEMBER, IS THAT THE INVESTOR OWNED UTILITY MUST COLLECT MONEY IN ITS ELECTRIC BILLS, OR WATER BILLS, OR GAS BILLS, SO THAT IT CAN PAY ITS TAXES. A GOVERNMENT OWNED UTILITY DOES NOT HAVE TO COLLECT MONEY IN ITS GAS, OR ELECTRIC OR WATER BILLS TO BE ABLE TO PAY ITS TAXES BECAUSE IT DOES NOT PAY TAXES.

The San Diego Gas & Electric Co. is an investor owned utility. The Arizona Public Service Co. is an investor owned utility. There are many investor owned utilities that just sell water. As a matter of fact, the City of Calipatria residents buy their water for their homes from an investor owned utility. Where a city furnishes the water, the city is running a government owned utility as one of the functions of the city.

To understand the Imperial Irrigation District, one must analyze it as if it were an investor owned utility. Fortunately, the San Diego Gas & Electric Co. is close by and has assets of \$260 millions. The I.I.D. has assets of about \$130 millions. Therefore, everything that happens to the I.I.D. would be half of the same happening to the San Diego Gas & Electric Co.

NOW LOOK AT THESE FIGURES:

San Diego Gas & Electric Co. (From 1960 annual report)	Imperial Irrigation District (if it were an investor owned utility)
Federal Income tax \$9.4 millions	Federal Income tax \$4.7 millions
State Income tax .2 millions	State Income tax .1 millions
County & City taxes 9.4 millions	County & City taxes 4.7 millions
Profit 9.8 millions	Profit 4.9 millions
Total \$28.8 millions	Total \$14.4 millions

BUT THE I.I.D. IS NOT INVESTOR OWNED BUT IS GOVERNMENT OWNED. Therefore, it does not have to pay Federal, State, County and City taxes. It does not pay dividends out of its profits to the taxpayers like an investor owned utility has to do.

What does the I.I.D. do with the \$14.4 millions???????

I have made a very careful analysis of electricity charges as they appear on the monthly bills sent out by the I.I.D. I also have the electricity rates of the San Diego Gas & Electric Co., and have converted the amount of electricity shown on I.I.D. monthly bills to what the cost would be in San Diego. I FIND THAT THE RATES ARE PRACTICALLY THE SAME.

BUT THE SAN DIEGO CO. ON ITS MONTHLY BILLS IS ALSO COLLECTING FOR THE HEAVY TAXES OF \$19.0 MILLIONS OF FEDERAL, STATE, COUNTY & CITY, AND \$9.8 MILLIONS IN PROFIT THAT IS USED TO PAY DIVIDENDS TO INVESTORS AND ALSO FOR EXPANDING MORE FACILITIES FOR GREATER USE OF ELECTRICITY.

The monthly bills for the same amount of electricity used in San Diego and used in Imperial County are practically the same. THIS THEN MEANS THAT THE I.I.D. IS ALSO COLLECTING FOR FEDERAL, STATE, COUNTY, AND CITY TAXES AND ALSO FOR THE PROFITS.

If it were not, the electricity rates of the I.I.D. would be more than half lower than those in San Diego.

THE BIG SECRET IS THAT THE FARMLAND OWNERS WHO ARE THE BIG USERS OF IRRIGATION WATER, ARE BEING GIVEN THE ENTIRE BENEFIT OF THE SAVINGS OF THE \$14.4 MILLIONS BY BEING CHARGED VERY LOW WATER RATES WHICH ARE BELOW THE COST TO THE I.I.D. The I.I.D. was practically bankrupt all

the time since it was organized in 1911. There were several reasons for this. The first was that there was a problem of getting a steady year round supply of water. The Colorado River had no dams and was not controlled. Farmers would plant crops and then there would not be any water to irrigate them. At one time, no more new desert land was permitted to be put into cultivation, because there was not sufficient water. THINGS WERE SO BAD THAT THE FARMERS HAD TO PAY FIRST FOR THE WATER BEFORE THEY COULD RECEIVE THEIR SUPPLY. Farmers were going broke all the time. Another big reason was that the I.I.D. had to put out a lot of money for engineering problems created by the uncontrolled Colorado River. A third reason was that the irrigation water flowed through a natural ravine in Mexico, and this ravine then turned North into the U.S. So when the water supply was low, the Mexicans took the water first, and there was not sufficient water for Imperial Valley. Then there would be a drought here, and the crops would wither and even animals died of thirst.

The I.I.D. issued bonds to get money to carry on, but its credit was very poor. Finally, the 1930's with the depression came on. The bonds of the I.I.D. were in default. The I.I.D. was bankrupt and if it had been an investor owned utility, would have gone into bankruptcy. It was so desperate for money, that in 1932, it began to charge the cities twice the rate per acre foot for water that it charged the farmers. This was illegal, but the big farmers were in power, and everyone in the cities was afraid to challenge the big farmers. I began to investigate the I.I.D. by asking questions at the Interior Dept. in Washington, D.C. in August 1960. I asked why the cities were being charged twice the rate that the farmers were charged. Word got back to the I.I.D. that I was on the warpath asking questions. Two months later, Robert Carter, the manager of the I.I.D., gave out a press release that the rate for water to the cities was being cut in half. He gave out a lot hokum as an explanation. The real reason is that I had filed a lawsuit against the Board of Directors for violating the 160 acres limitation in supply of water to farmland and the District was afraid that I would publicise how the cities were being swindled on the water rate for about 30 years.

One of the interesting things I found out in this part of the investigation, was the fact that a 2,500 acres ranch uses yearly as much irrigation water as all the cities of Imperial County use in one year. The cities of course purify the water by taking the mud out of it, so that the water can be used in the home. Matt LaBrucherie, a big farmer, cultivates 2,094 acres. Keith Mets grows on 2,047 acres. Each of these ranchers use as much water yearly as all the Imperial Co. cities do. There are quite a few larger ranches which use even more water yearly than the cities.

THERE ARE ABOUT 450,000 ACRES UNDER CULTIVATION IN THE I.I.D AND 70% OF THE FARMLAND IS OWNED BY THE ABSENTEE OWNERS LIKE THE IRVINE CO. AND THE ALAMITOS LAND CO. WHICH HAVE TREMENDOUS ACREAGES. LOCAL BIG FARMERS OWN 20% OF THE FARMLAND. SO YOU CAN SEE THAT THESE TWO GROUPS WHICH OWN 90% OF THE LAND, ARE THE ONES WHO ARE BENEFITTING FROM THE SAVINGS OF THE \$14.4 MILLIONS.

The little farmers(those with less than 160 acres), do not get the benefit of the below cost water rates. The small farmers live here and have to pay very high electricity bills which cancel out the advantage of the low water rates. There are several other ways that the little farmers are swindled out of the advantage of the low water rate, but this will be taken up in future Newsletters. For all practical purposes, the little farmers are not getting cheap water. BUT THE LITTLE FARMERS HAVE BEEN FOOLED BY THE BIG LANDOWNERS INTO THINKING AND BELIEVING THAT THEY, THE LITTLE FARMERS, ARE GETTING CHEAP WATER.

THE ABSENTEE LANDOWNERS AND LOCAL BIG FARMERS, CONSIST OF ABOUT 300 CORPORATIONS AND PERSONS WHO GET THE BENEFITS OF THE \$14.4 MILLIONS AT THE EXPENSE OF 70,000 PEOPLE LIVING IN IMPERIAL COUNTY.

When you add this \$14.4 millions to the \$3 millions that John Bowman is giving the same big landowners, and also the .8 millions that Walter Lancaster gives them, you will get the grand total of \$18.2

millions. When you divide \$18.2 millions by the 70,000 persons living in Imperial County, it comes out that each person is paying \$260.00 so that these big landowners can become even richer. Some of you may laugh at this figure. Dr. Wolf of Brawley told me that before he came to Imperial Valley, he had read an article in a magazine telling of the big profits from farming in Imperial Valley. The total of these profits had been divided by the number of people living in Imperial Valley, so that the amount of money per person was about the highest income in the U.S. Unfortunately, we all know that since the outsiders own most of the land, most of the profits leave the Valley.

Now comes the time to explain the cleverness of this electricity swindle. You must realize that when you get your monthly electricity bill, this is the "OPEN BILL". You will remember from the original figures that I gave you, that if the I.I.D. was investor owned, it would be paying a total of \$4.6 millions in county and city taxes. When I use the term "county taxes", this expression includes the taxes paid to the county but which depending where you live, are given to various school districts, hospital districts, sanitary districts and other agencies besides the county itself.

BUT BECAUSE THE I.I.D. DOES NOT PAY TAXES ON ITS PROPERTY WHICH IS PRACTICALLY ALL LOCATED IN IMPERIAL CO., YOU, THE RESIDENTS, MUST MAKE UP FOR THE UNPAID \$4.6 millions

This is the "HIDDEN BILL" that you pay for your electricity in the form of taxes to the County and to the cities.

For instance, the I.I.D. power generating plant in El Centro, is worth \$12 millions, and would pay yearly taxes of about \$78,000 to El Centro. Or considering the El Centro High School District, which tried to get a bond issue approved for building a new high school. This High School District would collect many thousands of dollars yearly for this power plant if the I.I.D. was investor owned. ALL CITIES HAVE POLES, TRANSMISSION WIRES AND TRANSFORMERS BELONGING TO THE I.I.D. IF THE I.I.D. WERE INVESTOR OWNED, ALL CITIES WOULD BE COLLECTING BIG TAXES FROM IT. Since it is government owned, the cities collect no taxes from the I.I.D. but when you pay your city taxes, you are paying a "HIDDEN BILL" for electricity.

Other investor owned utilities, like the Southern Pacific R.R. and the Southern Calif. Gas Co. have property worth \$24 millions in Imperial Co. and this is being assessed at 50% of the full cash value and is paying heavy taxes. John Bowman and Walter Lancaster claim to assess property at 23% of the full cash value. THIS IS A LOT OF HOKUM. THEY ARE ASSESSING THE BIG LANDOWNERS AT BETWEEN 5% TO 12% OF THE FULL CASH VALUE WHILE THE CITY RESIDENTS ARE BEING ASSESSED BETWEEN 25% TO 40%. The investor owned utilities amount to \$24 millions and is 11% of all property in the County. The I.I.D. has \$128 millions of property in the County so that you can realize how big a percentage of property is escaping taxation WHEN THE I.I.D. PAYS NO TAXES.

REMEMBER ALSO THAT THESE BIG LANDOWNERS AND BIG FARMERS ARE ALSO COLLECTING MANY MILLIONS FROM THE U.S. FOR COTTON AND FOR OTHER CROPS. THEY ALSO GET LARGE SUMS OF MONEY FOR GETTING THE SALT OUT OF THEIR LAND. I repeat again that the needy poor only get \$270,000 from the County and about \$2.2 millions from the U.S. and the State of California, making a total of about \$2.4 millions. SO YOU CAN SEE THAT THE BIG LANDOWNERS AND THE BIG FARMERS ARE ALSO THE BIG MOOCHERS.

The I.I.D. collects by "open bills" which are your monthly electricity bills about \$9 millions a year. Superficially, when you do not know about the "hidden bill", you are fooled into believing that you have the same electricity rates as San Diego. But when you take into consideration, the "hidden bill" of County and City taxes amounting to \$4.7 millions that you have to pay for your electricity plus the fact that you are not being given the benefit of the savings of the Federal Income Tax of \$4.7 millions, the Calif. Income tax of .1 millions, and the Profit of \$4.9 millions, YOU REALLY HAVE AN ELECTRICITY RATE WHICH IS MORE THAN 2 TIMES GREATER THAN THE SAN DIEGO GAS & ELECTRIC CO. RATES.

The I.I.D. puts out propaganda that it is more expensive to make electricity here. THIS IS A LIE. Amongst investor owned utilities,