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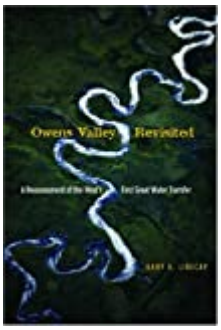

Gary D. Libecap. *Owens Valley Revisited: A Reassessment of the West's First Great Water Transfer.* Stanford: Stanford Economics and Finance, 2007. viii + 209 pp. $65.00 (cloth), ISBN 978-0-8047-5379-1; $24.95 (paper), ISBN 978-0-8047-5380-7.

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Owens Valley and Western Water Politics

Of all the events that characterize the politics of water in the arid American West, few are as legendary, as significant, or, according to Gary Libecap in *Owens Valley Revisited: A Reassessment of the Westâs First Great Water Transfer*, as misunderstood as the story of Los Angelesâ acquisition of the surface and groundwater resources of the Owens Valley, California. Libecap refers to this particular combination of notoriety, influence, and error as the âOwens Valley Syndrome,â a narrative that a great many citizens and Western U.S. water specialists incorrectly accept as the standard account of the event. Based upon a âsinister portrayalâ (p. 14) of the acquisition, a portrayal Libecap rejects, the Owens Valley syndrome also plays a prominent role in how Westerners understand and evaluate contemporary water conflicts. Libecap finds those understandings and evaluations overwhelmingly negative and unfounded. More to the point, they needlessly frustrate the prospects for economically rational reallocations of Western water, a task Libecap and others believe will require a much more extensive system of out-of-basin and rural-to-urban transfers.[1] If the future of the arid West rests on developing the (market) mechanisms for smoothly reallocating greater quantities of water to its large and rapidly growing urban centers, then the Owens Valley syndrome must be confronted and overcome–Libecapâs primary objective in *Owens Valley Revisited.*

In chapter 2, Libecap begins with a reconstruction and examination of the syndrome, a de facto survey of a large and growing literature on how and why Los Angeles acquired the waters of a valley more than 200 miles to the northeast. Libecap does not limit his analysis to strictly academicaccounts.Testifying to the wide acceptance and persistence of the syndrome, Libecap also includes a number of examples from the popular press and contemporary law journals. Libecapâs survey touches on all the alleged injustices that inform the syndrome, and it serves as an excellent introduction for those new to the controversy. âThe general themes,â he writes, are those of âtheft of the valleyâs water; destruction of the local, agricultural economy; and colonization (hydrocolonialism) of the region by a remote, disinterested cityâ (p. 12).

As Libecapâs survey correctly notes, many accounts of the event also emphasize the secrecy, deception, and coercion by which, they claim, Los Angeles acquired more than 90 percent of the valleyâs land and affiliated water rights. Given the manner and scale of the acquisition, the Owens Valley has suffered, many critics conclude, an ongoing and debilitating powerlessness (ââWater controls the life of the valley, and Los Angeles controls the water,ää p. 21, quoting a 1986 article in the *San Francisco Chronicle*), loss of a rural way of life, and environmental degradation. The power of the syndrome continues. Libecap lists communities in Colorado, Arizona, Nevada, Washington, and other sections of California who have used the Owens Valley âas a talisman against urban predation on rural water supplies.â According to Libecap, these efforts have succeeded; today, advocates for proposed rural-to-urban transfers of water are now constrained to show âthat the result will *not* be another Owens Valleyâ (p. 18, emphasis in the original).

Libecapâs reassessment of the syndrome turns on two key claims. One is Libecapâs argument that the 1913-35 Owens Valley transfer was in many respects a singular event. The unique circumstances related to Los Angelesâ extraordinary rate of growth in the early decades of the twentieth century make the Owens Valley water transfer, he concludes, a poor model for evaluating future out-of-basin transfers. Today, Libecap confidently asserts, urban water needs will be met by moving ârelatively small amountsâ of water. More to the point, âThe almost complete absorption of a regionâs waters, as took place in the Owens Valley, is unlikely to occur in contemporary water transfer effortsâ (p. 24). Westerners who continue to invoke the Owens Valley syndrome assume a parallel with the past that does not hold. From the perspective of current needs and circumstances, Libecap writes, âit is correct to conclude that âno more Owens Valleysâ should take placeâ (p. 157). Libecapâs argument raises a very interesting question: At what point do additional out-of-basin transfers of water generate the impacts associated with the Owens Valley syndrome (powerlessness, loss of rural ways of life, destruction of the local economy, etc.)? When one takes into account the marginal economic conditions in many of the arid Westâs most likely communities of origin, their current distributions of water (which often include preexisting out-of-basin transfers), and intensifying patterns of drought, even relatively small amounts of additional withdrawal may prove too much.

Libecapâs second claim is the more important one. The Owens Valley syndrome is simply wrong. The Owens Valley suffered neither the theft of its water nor the destruction of its local economy or environment. Libecapâs argument is as interesting and provocative as his conclusion. It turns largely on an economic analysis of the bargaining strategies and tactics deployed by valley residents between 1923 and 1935, the time frame when Los Angeles purchased the bulk of the land and water rights that it still owns. According to Libecap, valley residents âlikely knewâ that their farms and agricultural economy were unsustainable âover the long haulâ (p. 64). Los Angelesâ quest for water and land presented valley residents a âwonderful opportunityâ to escape that âgrowing dilemmaâ (p. 64). âDelightedâ (p. 40) with the prospect of selling to Los Angeles, valley residents quickly converted irrigation ditch associations and the newly created irrigation district into sellersâ pools, to enhance their bargaining power and drive up prices. Valley tactics related to driving up prices included delays in sales and the repeated sabotage of Los Angelesâ Owens Valley aqueduct and headgates. By Libecapâs calculations, valley residents who participated in the sellersâ pools netted from $52 to $213 more per acre compared to sales of nonpool lands (p. 97). Even though sellers may not have received the full value of their land and water rights, the results simply do not support the notion of unwitting farmers swindled by an overbearing city. In fact, Los Angelesâ purchases transformed the valleyâs economy for the better–from agriculture to tourism, sparing the valley many of the economic hardships subsequently endured by farming regions through out the Great Basin. Environmentally, the valley has remained far more pristine than it would have under an agricultural economy, although the withdrawal of so much of its surface and ground waters has had some negative environmental impacts.

Libecapâs book does an excellent job of breathing new life into what many may have thought was a long-settled debate. On that score alone, *Owens Valley Revisited* is a welcomed addition to the literature. Whatever oneâs position on the claims of theft and conspiracy, and many will surely continue to differ with Libecap on this point, he effectively brings to the forefront a much more fundamental and relevant question–what constitutes justice in the reallocation of scarce water? Westernersâ stubborn allegiance to the fabled Owens Valley syndrome indicates that justice may not be simply a matter of price.

Note

[1]. Brent Haddad, *Rivers of Gold: Designing Markets to Allocate Water in California* (Washington, DC: Island Press, 2000).

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