Challenge article

7- Challenge Article

UNITED STATES DEPARTMENT OF AGRICULTURE
ECONOMIC RESEARCH SERVICE
WASHINGTON, D.C. 20250

June 15, 1964

Dr. M. Mason Gaffney
Department of Economics
The University of Wisconsin-Milwaukee
3203 Downer Avenue
Milwaukee 11, Wisconsin

Dear Mase:

Many thanks for your kind words on the Land Reform Bulletin.

Your paper on water development could not have arrived at a more propitious occasion. We are "under contract" to the River Basin Planning Group to provide some recommendations for river basin and watershed planning. I hope to borrow liberally from your manuscript and from the Challenge article.

Sincerely yours,

Gene Wunderlich
Assistant Chief
Land and Water Branch
Resource Development Economcs
Division

CLAREMONT MEN'S COLLEGE
PITZER HALL, CLAREMONT, CALIFORNIA
OFFICE OF THE PRESIDENT

July 15, 1961

Professor Mason Gaffney
Department of Agriculture
University of Missouri
Columbia, Missouri

Dear Mason:

I enjoyed reading your forthright piece about the federal role in water development very much. Actually, I agree with a large proportion of your generalizations.

The one criticism I would make is that public power projects secure more than local tax exemption. They are also exempt from federal corporate income tax which, as you will recall, takes half of the profits. Thus we in Southern California Edison area are paying to support the various federal projects.

If you have another copy of this interesting document, I would appreciate having it very much.

Cordially yours,

George C. S. Benson

George C. S. Benson

GCSB:eb

Challenge
THE MAGAZINE OF ECONOMIC AFFAIRS
475 FIFTH AVENUE. NEW YORK 17. N. Y. MURRAY HILL 5-4971

April 29, 1960

Professor M. M. Gaffney
Department of Agricultural Economics
University of Missouri
Columbia, Missouri

Dear Professor Gaffney:

I am enclosing an edited version of your article on water resource development which, by the way, I enjoyed very much. As you can see, we made some minor editorial revisions, but I do not feel that these in any way alter the content of your article. I hope you agree.

If, however, you find any basic errors of fact and/or interpretation, please let me know as soon as possible.

Sincerely,

Martin Kessler
Senior Editor

MK:am
enc.

P.S. Thank you for your subscription.

M. K.

Arguments vs 160a law

1. Any society that must be artificially propped up, protected, is not healthy or vigorous
Petty vesteds as bad as big ones. Vote Republican. Reps started it for that purpose, create conserv. voters.
2. Taylor says big ones try to draw support from ~~other~~ 160a law by appearing open minded re lvt, etc., but really aren't. Might equally well say 160 law is to draw support from lvt
3. Was its orig. purpose, create body of conss.
3. Evadable
   a. Splitups, fictitious
   b. Grnd water
   c. Evade price control
4. arbitrary.
   Maybe some can fm > 160.
5. Why ok to subsidize ag wtr at all? Provide w w/o subsid, let best man win.
6. Fwd looking party shd not cling to past law so desperately.
   Look ahead.
7. albatross around neck of everything else, e.g. integration.
8. Dinuba ed. canned for supporting 160a law. As? Did those noble small fellows stop it? Dinuba isn't drivin.
9. Negative. Maybe no gain in selling, so just hang on, due to price control (unless evade law). Taylor says de Giorgio sold some to get wtr, but why sell at pre-wtr price? & ch G. is still there.
10. 10 yrs to comply

26th, absolute deadline.

Means mail it on Sunday or at very latest Monday, special delivery.

Kessler, Martin. Inst. of Ec. affairs N Y C. Challenge. June issue. One month.
2200 words.
$100.

Article on water

Have we learned from New Deal experience in '30s.

David Milstein { of R.F.T. recommended
Apr. 23. deadline

Journalistic type article. What have we learned from Fed. experience in '30s. Use specific examples, but make it readable etc.

Are federal projects & procedures now better in result?

Challenge
THE MAGAZINE OF ECONOMIC AFFAIRS
475 FIFTH AVENUE, NEW YORK 17, N. Y. MURRAY HILL 5-4971

March 24, 1960

Dr. M. M. Gaffney
Department of Economics
University of Missouri
Columbia, Missouri

Dear Dr. Gaffney:

This is to follow up our telephone conversation of yesterday afternoon in which you agreed to write an article for us on what we have learned from our more recent experience with federally sponsored water conservation projects.

The following are some of the general questions which, I feel, such an article might cover:

(1) We have now had a fairly extended experience with a variety of different water conservation projects. In fact, the principle behind many of these projects is no longer a matter of bitter political dispute. What, in general, have we learned from these projects? Have they fulfilled original hopes? In what respects have they fallen short?

(2) What can we learn from past mistakes in this field? Have we tended to be too ambitious? Have we, as is often claimed, placed too much reliance on federal action? What new modes of cooperation with localities and private enterprise are indicated?

The above questions are, as you can see, based upon vast ignorance. Like most urban Americans, all I know about our water conservation programs is TVA and pictures of some of the most dramatic dams that I have seen. Also, as a taxpayer, I know that such projects cost money. But what the

relationship between cost and achievement is, we do not know. It is this subject which we should like you to clarify.

We are prepared to pay an honorarium of $100 for an article of approximately 2,000 to 2,200 words, along the general lines indicated above, to be done before April 22--and I should appreciate it very much if you could get a draft into my hands before then.

I enclose a recent copy of CHALLENGE. As you can see, we are an economics magazine, not an academic journal. It is our aim to attract a literate but nonspecialist readership which is interested, but not expert, in economic questions. Style and method of exposition are, therefore, extremely important.

If you have any further questions, please do not hesitate to get in touch with me.

Sincerely,

Martin Kessler
Senior Editor

MK:am
enc.

Overall Outlines

U.S. puts M in wth.

Shd:

Interstate

Solid achievements – of kinds state & local cdn't, or don't.

Cd. we get more for our money... spending effectively?

No gnats, but camels

If philosophers were kings

New challenges.

More for the taxpayer's dollar.

The Fed. role in wtr devmt – ~~some lessons from recent experience~~
achievements, shortcomings, & ~~outlook~~.
new challenges.

A loving sympathetic denunciation ~~criticism~~ of U.S. wtr policy. Shd. be denounced, but better by those who love it.

Is not to be expected agencies take lead in reforming selves; nor yet clientele. Nor contractors. Outsiders. But too much sweeping ill considered rant.

Not less love agencies less, but Am. more. Better for the agencies to have sins exposed by those who love them dearly & will seek to discern; than by those unbound. use the sins as excuse to destroy the whole.

Why U.S. in wtr? ~~Navig, interstate~~ Wtr is one res. almost continually

navig in interstate commerce.

also other reasons: – –

Good
Bad
Indiff.

U.S. stored achieved notable achievements ~~successes~~ . . .

Same time, devd some most unec. habits, --- bulk of article.

The Federal role in water supply devmt; (land reclamation?)

Why shd the U.S. Govt. dabble ~~any of~~ its ever-sprouting fingers in the wtrs. of Am.? It has bn doing so for many decades now, & it will be easier to begin with a superficially similar but very diff.

~~What~~ ~~How~~

What can ~~Fed. govt.~~ Govt of U.S. contribute to ec. wth devmt by dipp'g ~~any of~~ its ever-~~sprouting~~ ~~blanching~~ fingers into the streams of Am? It is a hard ~~complex~~ question, with ~~as~~ many branching tributaries, ~~aspects to the govt~~ U.S. has agencies. Let us begin with a look at what the Feds have done already.

~~Why is~~ ~~If wth, then ec~~

Why wth? And if wth, why not coal, airlines, farming, & everything else? Wtr is a most peculiar resource in that it moves continually about. ~~does not lie still; to be appropd as "prop'ty subject to tenure~~ & our States are laid out w. as little regard for watched units as anything: result is wtr is almost continuously in interstate commerce, & from earliest times has received peculiar attn of Fed. govt. W. the steamboat age, Gibbons v. Ogden, 1824, settled commerce clause gave U.S. jurisdiction over navigable wtrs

The Federal Role in Water development

A Constructive ~~policy for Fed. wtr~~ Federal ~~wtr~~ policy toward wtr resources.

~~Towards a more~~ constructive national wtr policy.

~~Why is U.S. in wtr bus.?~~ as background to ~~answ~~ that, which is qu of opinion

Why shd U.S. be in ....? ~~Perhaps best approach~~ to qu is answer first an easier ~~qu~~, why is U.S. in wtr bus. -- which is not quite same thing.

A. Sources of present programs
B. Fed. achievements } - ~~Fed & local strengths & weaknesses.~~ (~~implicit & occasional of from to local~~)
C. Fed. weaknesses }
D. ~~P~~ ~~Ideal role for fed.~~ If philosophers were kings
E. ~~The challenge of~~ New challenges.

Fed. strengths & weaknesses. (cfd to state & local)

The challenge of new conditions.

The contribution of ec. research

Fed. accomplishments, achievements, contributions

"Water over the dam"

Who turns the big spigots.

Rivers were engd by nature ~~somewhat along the lines of~~ remarkably like the hierarchy of Fed. bureaus — dendritically

Federal Water ~~Programs &~~ Policies. – room for improvement?
can we get more for less?

Major points to make:

Integration needed – but preserve local govt. as retailer.

Synchronize

U.S. Fed. puts $ into wtr

No doubt U.S. shd. ~~Hts to~~ 7ts sawfit to ignore wtrsheds lines in ~~drainij~~ delineatj states, ~~lines,~~ & wtr has returned the complement so that most of it engages in interstate commerce bfr reaches sea.. Other reasons.

Cd. we get more for money -- is it being spent most effectively? ~~Hts~~ Solid achievements.

~~Is there any legit reason why spent any at all?~~

~~Always room for improvement, but~~ This is no place to strain at gnats, but are seeing camels

Solid ~~achievements~~ contributions .. some of more outstandg ones.

Brought — m acres under irrn. in 17 Reclm States, & what is equally imptnt, achieved rather wide sharing of benefits of wtr use, & helped to forestall/g wtr mopy ~~threatened~~ might have devd ~~to dev. & did dev.~~ in some ~~of~~ other areas

Developed sites & wtrs ~~fully~~ nearer an ec. level than others, ~~for~~ for both powr & wtr supply
Feds not only devrs. Nothing rides w-ns more ..

Pioneered multipurpose dam design & opn

Worked out ways of coop'g w. local govt. & Performed wholesaler fn, left retail/g to local distrs.

Pioneered showg ecs of scale & elast. demand powr. Introduced element of at least indirect compn ~~by~~ ~~of~~ ~~on~~ into one of smuggest mopies ec. has spawned.

~~Achieved~~ Provided leadership & initiative for higher level of coordn than before

Maintained (vs. strong pressures) elements of flexibility in wtr distribn

Info on Calif. useful in NCT-44 contributing project outline.

1927, MWD Act, allowg MWDSC.
Dozens other kinds districts.

1913 W Comm. Act began substn of adm. procedure for litigation, assertion of State's ownership of wtr, & public interest. Reduced ct. litigation much, replaced by adm. procedure.
Considerable evolution, several stages Now Statutory adjudication procedure – settle whole stream at once (except percolating water)

And since 1945 has been State Water Plan, filings shd be harmonious.

Volume of litign: in Mo., few cases. In Cal, 7-8 per yr up to 1920 or so, now c. 3

Ground water, mandatory recordation from '55, 5 So. Cal Cties.
Cal. Wtr Plan includes long term cyclic storage in ground, need new law.

Elaborate water swapping, CVP

Adm. shakeups:
1921, wtr rts handled by Dept PW, Div. WRes.
1956, " " separated again. WRBd.

Montgomery & Clawson
1920s, State Wtr Plan, cost > $1m for research
1874 Alexander Rpt first recommended series of n-s canals linking Sierra streams.
Longer stream flow records? Check in Geol. Lib. No.

C

Info for Contrib project outline. 2

State - Fed relations — w/o any interstate relations, or a pure situation

Some leading cases in Fed-State conflicts.

Feds in from way back — Alexander Rpt '74 by Army Eng.

Conceived largest program of integrated wtr devmt ever by any single State; from 1874, carried forward as a State plan to 1933, action initiated by State in

By 1930 State had invested c. $1/m in studies for State Wtr Plan, "undoubtedly the most comprehensive & thoroughgoing set of studies ever instituted by a State agency looking to the devmt of its nat. res." (p32)

1933 voted $170m rev. bonds for State constrn — altho even then expected Federal aid.

Numerous types District orgn — "at least a score".

Many types orgn: pvt utility cos., MWC, giant landholders serving twns, small ones serv's neighbors,

Surface wtr, recharge; storage, division of watch flow. Very old, brand new. Isolated little valleys, huge integrated area. Land of ~~the~~ variety.

Orgns formed after irrn. old, & others yrs ahead of it.

over 100 LDs.

Distrs That do nothing & those that generate & distrib power, recharge ground

~~wtr~~ regulate grnd wtr

Those excluding cities to those initiated by cities & pushed thru vs. farm opposition.

Info for contrib. proj. outline. 3

Trelease, p. 320, characterizes Calif. doctrine as that amt of ripn. land is so small cfd. wth that rt. may be exercised at will. This from Meridian & Vallejo cases — I doubt.

Huffmann: "Calif. ... became the battleground where many of the conflicts between the ripn & approp. systems were most violent."

The dual system is found in other States, but so much more prominently in Calif. is commonly ~~known~~ called the "Calif. Doctrine".

Also "correlative rts" doctrine, peculiar to Calif. since 1902. Other States, is very little applied. (Huffman p. 52)

1812, first Cal. law ~~valid~~ authorizing appropriation, based on & validating miners' custom.

1886 didn't outlaw appropriation absolutely. Disuse alone did not destroy ripn rt., but prescription did, thus appropn still possible, esp. that already established.

Not until '28 were riparians effectively limited to reasonable ~~beneficial~~ use

RANDOM NOTES

Fed. necessary for interstate; but also in C.V.

Fed. has complied w. wtr law, but bn. big factor in its evolution

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Fed. money has sometimes been used to solve problems that otherwise wd hv. bn by more constructive state policy --- e.g. Madera vs. M&L.

Sacred cows have developed --- e.g. Flood Control in Fed. fn.

Acreage lim-n used to assuage --- but is weak. Hit this one hard --- here is plaa to smite Paul Taylor. We have learned acreage lim. works poorly, or more specifically, is addressed to a real problem, but ~~tends to obscure more~~ ~~misplaced~~ has ff. weaknesses:

a) Diverts attn (let this be last item mentioned, & lead to next section)

b)

No lim. on salinity bens, flood control, pwr, nav-n, recreation

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Early Fed. BR projects were tiny affairs. Real contribution of U.S. can be in integration. But States must cooperate --- & if they do, why need U.S.? Bes outside money is a magic solvent or lubricant. Cf. World Bank on Indus R. But does it really help more than hinders? Where shall the idealism & initiative come from to perform the wondrous feats of integration that are our greatest hope for future? There is unsolved problem.

They say ec. is too complex. But we're now learning to send aloft missiles w. 30,000 - 40000 parts, all integrated & working in harmony. Can we do same w. rivers? Can we afford to do less?

Need to use ground wtr storage.

Distribn costs more than storage in aggreg.

Vote for wtr, pay for power

Ancient customs, taboos, fetishes re wtr, deep in culture, common law, & psychology of voters. Thus pwr, can integrate, balance networks... no one knows or cares where comes from, cos. are free to exploit techniques for rational allocn, wider limits. No one claims has to hv. pwr rts, appurtenant, bfr can use.

Pwr cos. supply valuable servic, absorb variability. Thus prefer pump, use grnd wtr resv.

Need new imaginative leadership, exploit new knowledge, techniques. Conjunctive use. Clendenon

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Our balky local people. We're in position analogous to Europe. Picturesque little principalities, also pioneers of past ... unable get together. Now Russia & China able to exploit ecs. of wide integration, while we, who have shown the way, are trapped by vested interests of our own creation.

Even Republicans didn't dare give away Kings R. -- details?

Corps a.E. is slush fund

Accomplishments of Fed:

Multipurpose principle - review N.C. speech.

Elastic demand, decreasing cost

Impetus towards integration - SEPA, Bonneville, etc.
Boulder project

Competition by comparison

Hi standards of wtr use

Grease wheels of state wtr law? Supply wtr as p.u.

Work thru I.D.s. Wholesaling vs. retailing. Check Guggenheim appln.

Shake up complacent local govts.

~~Review Morrell~~

Juggernaut, inertia. Poorly if at all coordinated w. other Federal programs, cross purposes.

~~What can we learn from past mistakes? What has been a mistake?~~

Past mistakes:

Overeagerness by bureaucrats to get programs going. esp. after '30s, says Taylor but how about earlier fiascoes?

? If U.S. is to do things for local people, shd. use bargaining pwr to secure good terms. Tendency local people to bite the hand, & feel imposed on. Once the Fed. invmt. has bn. obtained, U.S. is a creditor, an enemy, & one who may be importuned in congress to relent in his exactions. Shd. be very clear if Feds are there, is bec hv. bn invited, may, importuned to come, & get fullest local coopn.; or else greater direct power.

In partic., Feds are in position to insist on full intgn.

Idea of acreage limitation. Mention also Demo. party in Cal. has weakened self

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Fetishes: See Green Book & Haynes book

O - int. for wtr. Is this just indirect way of allocating higher costs to power?

A big bureaucratic machine is not in a strong bargaining position to protect the public interest; it has too many mouths to feed, to keep going too much at stake. So as much as possible shd. use consultants — exercise due care not to select those beholden to pvt. utilities.

What have we learned? (link to accomplishments)

Multipurpose

Settlement problem

Role of Fed. in integrat'g --- change of emphasis to wholesaling

Resale price control of power?

Benefit - cost analysis -- Green Book

~~Chuck Eckstein~~

~~State Legisl.~~ Pvt. power cos. hv. strong support from legislatures

~~Fed.~~

Local interests are glad to hv. U.S. pay bills; but dominant interests are so fearful of rocking the boat, integration, they fight Fed.

(Yet still get Fed M on ~~Hells Canyon~~ Columbia etc.)

Is limited no. of sites & mkts.

---

fight yesterday's battles, finally win when enemy has weakened his issue is ceasing to matter any more. This is as strong in the air. prones, as anywhere where the desire to clinch so vainly indulged, & among ex-policymakers, who see in every meeting, permanently defensive arguments commenced 20 years ago is particularly great advantage Fed. devmt, can't be taxed, can pass this along in lower rates.

This benefit is lost in pwr, largely, can't distribute

Localities lose taxes. Gain is made up by lower pwr rates; but shifts benefit inside localities, & many cases big propty tax payers are more patent politically

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There is a mystique surrounding water, shd. not be subjected to anything so profane as rational analysis, least of all that concern & under no circumstances be balanced in scales w. mere money.

Max. b/c, error.

Have had hard time getting used to idea sites & whs shd be charged for, are scarce.

Some universal principles illustrated. Eg. tend to overdevelop mgmt resources w. newer techniques & ctr central govt. fnce. When one of the new techniques is integration, leads to absurd some odd results: int'n of devmts 400 miles apart, but not in between. Raises major qns about intergovtl relations

So both policies are bad: A, waiting to be asked; B, rushing in w/o local commitments.

Much needs doing at State level, perhaps greater contributions than anything Fed. can do.

New challenge: Fight Barrett bill etc.!!

Weakness: slow to respond new stimuli. Danger of overstressing pwr hydrel, now, verge of obsolescence. Having underdevd hydrel for yrs when needed. Like hiway program.

Are cycles in wtr devmt. It is essentially r.e. devmt, but subject to same genl. influences, w. its own peculiar twists, including the cycle which culminates in --

Fed role has often been to step in & pick up the pieces. Depressions, forces of other devg agencies go to pieces, U.S. keeps going.

Get some aggreg. figures on spendg by BR etc.

"Rivers & harbors," traditional congressional pork barrel

Millions of Easterners have moved west; millions more will do so. Their interest is to keep the waters open, treated as common propty. Present controlling ints doing all in their power turn them into pvt. propty. Best rep. Easterners have is U.S.B.R.

Hi i.r. areas of west, augments imptnce of U.S. funds, same i.r. east or west, often O.

P G & E a master of "can't lick 'em join 'em"

Important as contracyclical outlets --- not much problem of finding new projects, they are all planned

Anomaly of gifts to individ. landholders, but in aggreg. Δ supply, reduce unit value of land --- i.e. of irrigated land. On the hand Δ value of dry land by reducing supply? -- not appreciably. Probly more competitive than complementary on balance.

Cite various popular sources, probly negatively

Reclamation not a subsidy to "the farmer". Subsidy to landholder who reaps Δ, as likely to be a matinee idol. Competes w. other farms.

Curious alliance of forces behind Recl.: Nostalgic agrarian ethos; industry's desire to tie west to agric?; RR jobholders; politically influential landholders seeking Δ; unemployment relief; create more conservation-voting farms: contractors

Quaintly antiquated issues imbedded in Dems. platforms. Fierce loyalty to ~~obsolete~~ planks which not only are obsolete & of questionable social value, but divert attn from more important issues by the bombast they generate

Of all the curious myths ~~even~~ circulated to gain currency, surely the quaintest is the complacent faith of Dems. party leaders in 160 law.

Wtr shortage moving eastward.

Lesson: ripn-system ng. for wtr supply

Big cost is distribn -- incl. channel losses.

Is impossible to regulate & dev. streams w/o disturbing someone's customary usages; & wtr law is a strong ~~force~~ stagniferous force, puts all the cards in hands of defense.

Thus like downtown older cities, where builders armed w. latest ideas engrg & mkt research can supply have to premise their activities on

on a meandering network of narrow streets laid out like as not 300 yrs ago by a drunken miner on a herd of cows.

—

~~U.S. serves as~~ wholesaler, little direct contact w. customers

—

Subsidized wtr to grow subsidized ctn. devd. by subsidized research.

—

Strong pressure to "do something," results more often than not in planning monstrosities. Many forces hv. pushed for big recl. projects, ~~some~~ & if in the process the interests of ec. rationality have ~~had a hearing~~ stamped their projects it has been largely coincidental &/or it has quickly been overwhelmed by forces of irrational passion, dogma, & greed, & fear.

—

As proceed toward fuller use of wtr, salinity becomes more of problem.

—

Frontier still expanding, & is room for many more.

—

Cyclical storage still untouched. Mgmt of gndwtr ress in infancy. Basic reform of wtr law, huge possibilities. Balance out uneven changes of s&d ~~in~~ diff. streams over wide areas.

—

Already hv. nationwide wtr linkages -- Fugg.

—

Proliferation of agencies & programs — hrs of eternal squirming & tussling ~~to~~ by clientele groups, e.g. for exemption from 160a. law.

U.S. dams are bigger, not bec bigger streams, but bec stronger fnd. power, And even us. dams are not too big for sites (?) ... judging can wait to get consumers over wider area.

by standards one wd apply e.g. to ~~his barn a garage~~. a building on a city lot.

In '53 or '54, "BR will not "lay back" & require local interests to do the necessary lobbying" – Dacheimer, W.A.

Slack wtr nav-non fish.; Ozark dams by AE; Ts. project?

Some mammoth projects: Columbia Basin; CVP; Upper Colo.; Mo. Basin; T.V.A.; Colo. R -- Boulder & Davis; Colo. Big Th.; Hungry Horse; Imperial V.

Slow payout. At 0-interest this is more subsidy. '53-'54, Dacheimer declares will not limit to 50 yrs. as recommended by BB "last Dec." Proposes 78 years for n. unit of Deschutes proj.

Concept of U.S. as wholesaler appeals to me. But more & more has bn subsidizg local distribn. systems; & "small projects". 40-yr. int. free M.

Frequent policy statement is shd. adjust wtr charges to wtr users "ability to pay". Carried to a logical conclusion this could mean wtr users who are ~~not~~ appreciably inconvenienced by pay't of their bills need pay nothing – & it ~~has often~~ has often been carried ~~much~~ very ~~close~~ near that conclusion. ~~this~~

The thought that this casts some doubt on the orig. proj. planning is rarely if ever entertained, or at least mentioned out loud.

In '54 Comm. of Rec. Dexheimer, ~~speaking at Reno~~ reaped a whirlwind when he declared at Reno in '54 that henceforth local interests cd. do the lobbying for projects & BR wd. limit itself to planning & building them — a forward position from which he rapidly retired.

Ambivalent attitude of local ints toward Fed. largesse is enough to raise grave doubts over the social maturity of Am. people — if indeed there was ever any room for doubt. Hell hath no fury like the whine of a locality scorned in the annual (biennial?) scramble for approps; but once the Feds are there, ~~there is continual captious sniping at ~~ ~~ etc. whining over every move they make.~~ their every move draws captious sniping

---

Special Columbia Basin Anti-speen act?. Why?. For one thing, lowered to 40 acres & even less!!

To conservatives, Bismarckian policy of creating Kleinbesitzen as bulwarks of propty, w/o really letting them take up too much room.

"I wish to secure this country vs. ever seeing a time when the have-nots shall rise vs. the haves." TR, 1912, to CC, re 160 a. law.

'26 Adj. Act, Congress forgave charges where planning had erred

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Some projects were just written off.

BR apologists point out, w. justice, that costs of non-fed. projs also had to written off during '30s — in this case at expense of LD. bondholders. (But BR projects were written off during '20s.

Tendency among e-rs, which rides w-ers, to believe w-n irrn. is almost all federal — a belief for which the publicity releases of BR are not blameless.

Now you might think that this int. free M for irrn. wd result ~~lead~~ BR & local ints. to allocate as much of costs as poss. to wtr; & you wd be ~~right~~ and you might think further that this wd make irrn. bear more than its shares of costs; but you wd be wrong. ~~are even stronger forces tugging in opp. direction~~.

Imptnt role in fructifyg surroundg grazg land. Forage main crop.

Excess capac. Never have ~~used~~ irrd. all land cd. from exist'g projects.

Calif. has greatest potential for expanding irrn.

Long lag between first action & results. Hence not so contradictory a restriction of '30s.

7-58, BB favored BR. Ike vetoed wtr bill bec Buchanan & Hidden wd. hv. ben. built by AE. Senate upheld AE

Engle compromise.

9e contracts

Cl. I & II wtr -- need wider rengze choice

Congress maintains control by annual/biennial? appropriations — is this wise?

Large landholders were in for something of a shock when '52. They seemed to assume that Dems. changes were true, & U.S. wd. proceed to give away its assets & rts w. all possible despatch

---

Allocat'g wtr by who contracts first, past system

BR. blocked by Cal., for P.G.E. — by State filings

U.S. as holder of wtr rts can come into ct. of State only voluntarily.

Escape old squabbles by dev.-g new wtrs, at whatever cost.

Engle authored bill to integr. Bonneville & CVP pwr., but no "pirating" — just use of idle capac. Sounds to me as tho he may hv. blocked real integr.-n.

Much fuss over appurtenance. It is nec. to capitalize into bv., is ∴ of prime importce to specs. ?

✓ 1944 Flood Control Act put A.E. flood control projs under Rec. Law.

"clientele" of adm. agencies cling to them.

'54. Gov. Knight came out vs. State buy'g CVP. cooled it.

In 17 w-u states, Fed. projects irrte. more than 7.5 m acres, w. annual crop value over $1b. 160 a. law applies to almost every project.

Another object of U.S. recl. was prevent mopy of wtr by a few big landholders, cattlemen, blocking settlement, & mopgg use of range by few. Say Newlands, quoted by Taylor. This jibes w. emphasis on forage crops. Cf. Hoffman on complementary use. At least that was object of 160 a. law. Fed. recl. itself was favored by r.r.s. too, to get U.S. to enhance their lands.

Seaton says when district pays out, acreage lim. ceases; Taylor wants in perp.

For many yrs BR no recl. projects unless excess landowners agreed first to comply. CVP, went ahead w/o agreement, pressures of unemployment & wtr shortage. Before '30s, Recl. Fund was limited, govt's bargaining position stronger, was lots of choice for them. Now they are too eager.

This sheds some doubt on Engle reasoning, go ahead w. project first, settle arguments later. Implication is can never settle them. But here they were settled, under strongest of compunctions — settle, or no water.

What can we learn? 1: 160 a. lim. is inadequate tool to prevent unjust enrichment; is subject to successful attack bec of its many weaknesses.

P. Taylor admits weakness of 160 a law, even glories in it " " p. 6 (6-58)
— where opposition substantial, rec'l. lagged; where not, advanced.

p. 9 Since '26, BR contracts hv. bn. w. I.D.'s g S.O.P. since 1930

—

1938, first exemption from law, Colo Bg Th.

—

p. 16 Taylor advocates " .. standing on the law & letting excess landowners wait for regulated wtr until they complied with it." No such.

He is defending tradition -- ~~takes~~ assumes a very conservative posture, as well as pietistic -- "general principle" & ~~"policy"~~ "established policy" vs money

—

'56, Engle formula becomes law on small projects act

—

p. 33 A.E. are covered by rec'l. law since '44, but refuse to apply it!

—

Humorless, unswerving bending dogma — bloodless.

—

160 law does serve useful purpose by introducing big bloc of voters into pocket boroughs, w. interests of small landholders. Thence forward may serve as seed stock

—

The fallacy that fed. subsidy is essential to create democratic society in west.

Dechesimer reduced RR employees from 17,000 in '51 to
13,500 in '53 to
9,800 in '59

w/o reducing $ value of programs? so he claims

How U.S. got into w.r.:

1. as seller of p. lands
2. Engrs

Too much wtr, as shown by '59 e.g., dry yr, highest yields

User charges vs. taxes --- Hurrell recommendations gnrly, use intel from there.

Pro Fed. or local enterprise? For enterprise.

Need research — what kind distr. system? How much spend?

Now are learning dams all too small — non-fed. ones.
Shd. hv. built larger dams, served less land, but had it all used, quicker.

Now have dwarf dams on many streams, submgnl, many call for rebuilding

---

Do not use as balance wheel of ec. - lower taxes if want to run deficit. Great damage done by rapid expansion & contraction.

— Incredibly archaic, ante-diluvian system of pvt wtr rts, based on historical priorities virtually non xfrable.

Public philosophy. Granted is wasteful to build projects whose costs > bens; is equally so ~~likewise~~ not to build projs whose bens > costs.

Does not share faith expressed in extreme form by Mowell, if it is good, pvt ent. will do it. Are several reasons therefore:

Re user charges, lesson shd not be lost of canal boom of 1830s. Let states draw revenues from a basic means artery of xptn & they will become enemies of all competing modes of travel.

Flood control & navign as "nat." bens, quaint myth. Probly bes non-salable Salinity control also so treated. Cd. org. State distrs. to contract for this service, & pay.

An index to power of a handful of giant interests is in their inducing Cal. leg. to authorize pop. referendum on 1.75 m $ bond issue FRP, forego (probly) much fed. subs.

Pwr rates. Unfair cfson? In part yes, bes of shibboleth subsidies. But in part no. Calls for reexamination of rate-makg, very healthy.

Wtr devmt lead or lag others? Neither. (Mowell says lag). What is needed is coordn of all land devmt activities so none wastes for lack of others.

Identify & soak benefics.

Can't retrieve all bens by price: requires taxes

Use of common U.S. i.r. affects choices. Not nec. bad bes mkt i.r. far from perfect. But planners shd then discount for risk, but don't.

Only wearily & w. sense of futile fulmination vs. sin can one rpt universal judgement of outside critics: both right & left wings: elim. ~~rival agencies~~, A.E.

—

Critics of Fed. power hit ~~subsidy~~ it as injuring localities by not pay'g local taxes; & simul for subsidiz'g localities by cheap power. But rarely seen is what is involved basically is challenge to system of fin'g local govts by disprop. taxes on utilities, passed on to pwr consumers in their monthly bills. It is not the pwr. cos. (using pwr cos. as means of collecting local taxes — thereby shifting their incidence in what is probly socially undesirable way, & worse, depriving us of dec. cost gains

Synchronize; closer settlement.

"Yardstick" was not entirely fair. But reverse yardstick of '50s, Morrell, equally unfair

Old fashioned hi-buttoned shoes concept of "fncl feasibility keeps us from ~~positive~~ sins of commission, but only by assuring sins of omission

---

Fed. fn to pick up pieces — & looking forward, we may as well begin bracing ourselves to pick up pieces of vaunted "Cal. Wtr. Plan", just as in '30s.

Avoid stultifying rigid commitments of wtr, retain flexibility for future adaptations. Fed. can do, shd. do more, but not so apologetically. 9s a service to community

Otherwise make an economy already decadent while still young.

Overlapping agencies apply diff. criteria.

Don't let competing agencies forestall each other by preclusive acquisition of key sites & wtr rts.

Forces behind Fed. devmt: overcome underdevmt by prts
promote interregional coordn.

1824 - 1955, Fed. spent $16.3 b for wtr res & pwr projs. — Mereell.

Not very costly.

TVA paid States in lieu of taxes. Conservatives don't mind giveaways in this form, but in the form of low pwr rates.

Hoover Dam pays Nev. & Ariz.

Fed. power has never approached dominating the mkt. Has only ben a thorn in side of pvt -- & a very useful one for public.

BR started upstream, moved down; AE started mouths, moved up. Met & clashed in '30s, big spending days.

Public-minded men became convinced pvt. pwr cos. were bent on mnpgg good sites & underdevelop'g them.

Complete disgrace of pvt. pwr industries in debacle of '29. Opening for multipurpose idea: TVA, G. Coulee, CVP, Ft. Peck. Tied together in Flood Control Act '44. ~~War &~~ postwar, expansion continues under Truman. Ike, no new starts.

~~Rest~~ Like so many flowers that bloomed in the Roosevelt era, this one budded earlier, under Coolidge & Hoover. Under Coolidge, Fed. plants authorized to generate surplus pwr, to subsidize other aspects. Then '28 Hoover Dam, large-scale w. emphasis on power. (Bes LA wdn't stand for pigmy dam plans; & required Fed intervention anyway)

Do not cry for Congress bcs its intent has bn. misconstrued or subverted. If intent of Congress is unclear is bcs congressmen want it that way, the better to ~~confuse~~ straddle issues ~~f~~ in the next campaign.

Upper Colo. Basin project, '55, of Republicans, is a more inexcusable boondoggle than anything can hang on Demos.

~~X~~ 144, Solicitor of the Interior opined under Recl. Proj. Act '39 pwr revs. cd. be used to repay cost alloc-n to irrn. beyond wtr users' ability to repay. The ~~rate~~ int. on pwr. inv. cd. be so used. (But wasn't Boulder already doing this?) (No)

Colbran formula, '51, was to pay out power, then use revs. to pay out irrn.

Mid-thirties, public pwr c. 1%; '55, 16m kw capac., 15% U.S. total.

TVA	7.8 m kw
BR	4.9
AE	3.3

CE mkts no power, turns it over to mktg agencies D. Interior: SWPA & SEPA, & BPA in NW (which also mkts from BR projects there)

C.E. has bn content to remain a building agency, thus avoiding conflicts both w. wtr users, who object to pay[ing] too much, & pwr cos., who object to seeing customers pay too little (Except occasionally e.g. at Hells Canyon when size of dam became issue)

BR sells own power; ~~also~~ TVA does two.

BR mkts AE pwr in No. V. (& ~~KK~~ Central Valley?)

Why dual agencies? Bcs basic policy conflicts, ebb & flow, agencies become identified w. them. U.S. govt is ~~not an~~ cannot be an adm. scientists dream bcs ~~Am. people~~ voters are not just sure what want, but do want ~~soon~~ some choice — not entirely bad thing.

But much TVA sponged up by AEC

BR to add ½ b kw on upper Colo from '51.

A.E. to add 5m kw Mo. basin.

Yet share of Fed pwr to fall. (& if public share rises, is it not bcs pvt. hv. not taken opps. to expand?)

Inter-Agency ~~Comm~~, R.B. Comm, BR & C.A.E. agreed use same method, the method of greenbook, separable-costs remaining benefits. (But how divide the remain'g benefits?) "wherever practical".

—

Recreation, along w. nav-n & flood control, non-reimbursable. It shd be tho (they all shd be)

✓ "sprinkle holy wtr on foregone conclusions"

Allocate as much as possible to irrn., bcs payments of irrtrs are not determined by costs alloed to them, but by ability to pay. (This may be a reason why amt "alloed" to irrn always exceeds what they can pay. All these myths shd be swept away).

But power pays less if less is alloc.d. to pwr — not less allocn $s, but total cost $s.

(But pwr sellers are stronger than users)

'55, Congress rebelled at "no new starts", added 107 projects to requests for '56.

✓ $47m -- but Ike estd. ultimate cost at $1.5b. Moaned, but signed anyway.
after a brief jeremiad Ike signed anyway.

(Big weakness -- bite off more than can chew, litter U.S. w. half-finished projects

✓ starved for appropriations to complete. Water is competing vs. hiway, ~~subs~~
armed forces, glamor space programs, farmsubsidies, urban renewal, foreign aid)

Bureaus antic. Congress in drawing up budget requests.

Contractors kick in, hv. become essential part of pol. process in U.S.

Is big reason agencies keep getting $ despite b.s. And considering the ~~sfd. to some~~
alternative sources of campaign funds it does not appear entirely black.

'50 P's WP Commish recommended present agencies be replaced by river-basin
devmt agencies. No action.

(One cd. generalize: the movement for valley authorities is not dead; ~~only~~
~~quiescent~~ but latent, waiting only for existing agencies to discredit themselves
in some fiasco. But alas, the valley authority concept, advanced as it is, is
already obsolete. Nationwide networks. And, by one of history's sardonic twists in a way sort of way we
are lucky not to be stuck with such a system now as it each unit wd resist.
Lesson: build in flexibility !!!!! In all dimensions.

7 IARBC formed '46, initiative of agencies.

Several other ad hoc agencies here & there, but none very potent.

AWR (Ark-White-Red) has accomplished most in coordination, but inter-agency comm. has confined self to "splicing of the diff. plans previously prepared by the agencies individually."

BBA-47, '52, BB let agencies know what practises it favored. ~~Congress~~ Tried to impose more uniform standards, of project evaluation. Congress rebelled. Inter alia, A-47 wanted more local participation.

Big problem: finish one project completely? Or ~~commence~~ use limited funds to build all partially? Compromise solution: plan all projects on grand scale, begin them all, hope for future appropns. This too has dangers, esp. when sources of new cap. in U.S. show such signs of drying up, & U.S. hvg such hard time mkg ends meet. May not finish ± projs. until obsolete.

Local interests are often appeased just by havg projects start. This lets them get l.v. As, often is larger part of what they wanted anyway.

What is called for is not a simple thing; no little admin. gimmick, nor yet sweepg adm. rationalization of Hoover Comm., wd. help. Salvation is not to be sought in higher standards of individ. ~~morality~~ probity. Cuts deeply into our whole system of land tenure & regional representation, idols so sacred we are hardly aware they ~~have any~~ alternatives.

So timing is a key problem. We speak of us & p.w. contracyclically. But does pol. process allow of this? We have projected works half-done all over pol. universe. Do we slow all down ∴ly? Yes.

Repayment pds 1902 – 10 yrs
1914 – lengthened to 20 yrs
1924-26 – 40 & up

By '38, only 7/27 Fed reel. projects cd. pay out in 75 yrs or less, based on past experience.

U.S. charges no int. on delinquent repayment obligns.
Collects via. I.D.s But past experience suggests U.S. politically unable to collect much, if any pressure brought.

Mortgagees, local govts collect, while U.S. whistles, voters sob over maudlin pleas of "hardship". Has been too maudlin an attitude, blind to realities of situation. make policy to adjust demands to ability to pay. & there is no ability to pay. Prior obligation almost automatically swell up to fill the gap. claims on any repayment ~~ability~~ capacity.
Prospect Fed frig dims local support. Thus many non fed. I.Ds contain cities, but no I.Ds sipping from Fed. canals.

An ill wind blows no good. Non repayment results in 9¢ contracts, makes U.S. p.u.

146 Landownership Survey showed hi degree of compliance ~~=~~ w. 160 a. Law on projects since '26; but "signif. non-compliance" on older projects, when works came before contracts, etc.

Calif. has convincingly demonstrated State plans not less moonstruck than Fed.

—

Do not let basin wide integration by perverted into "basin ~~bookkeping~~ accounting", another shoddy device for subsidizing unec. processes.

—

Requirement of selling excess land at pre-irrn price dates from 1926. No one can ~~safe~~ truly say earlier projects ruined by speen.

—

✓ 160 a. law destroys land mkt -- who will ever resell at dry land price?

10 yrs or so of wtr for excess land is bait to landholder to sign sales agreement.

Adm. has been not to deliver wtr to any land until signs contract.

—

Pwr cos., re own bookkeeping hard to pin down; suddenly become very sharp, quick grasp of essentials, when vs. Fed dismt.

—

Pay no local taxes. No reason why shd., except from view of pwr cos.

—

1914, Recl. Service counsel, Will R. King, got adm. ruling that

✓ final payment of charges ended 160 a. lim. (this is before price control).

Taylor, Yale L. Jnl, p. 495

1947, Solicitor of Interior Cohen opined same.

McKay offered Tulare L. interests to exempt them if they wd pay, lump sum.

¼ cird land (7 w.n States by Fed.

—

Watershed protection – small watched program (not = small Projects program)
share cost, U.S. & local. Local people get credit for what already done.

—

Need more of above. Also re forest land.

—

Flood Control Act 1944 was 1st "real break-through" for multi-purpose Mo.
devmt, authorized Mo. River Basin Project. System of 27 major dams "virtually"
completed by BR & CAE. 60m af storage. Multipurpose.
9 hydrel plants, annually 5b kwh
Irrte 126,000 a. fully + 97,000 suppl. Under construction 16 units for 380,000 a. more
ultimately Σ 3.75m acres!! Cf. 873,000 a. by BR, 1940.

Dangerous to let U.S. (or any govt.) depend on revs from power, or any sales,
will fight innovations. But now U.S. getting big payout from power.

—

Mo. R. wtr currently being alloed. – largely on basis of landowner
enthusiasm or no. Will result in splattered devmt.

—

In 1928 Imperial I.D. was only preparing to quarrel pwr on its canal; &
few Fed. funds were involved. The main canal went thru Mexico.
In 136 D.I. contracted w. Imp. I.D. for all-Am. Canal.

Before Boulder, 20 small hydro plants had been built & opd on 11 Reclm Project (so maybe BR was pioneer. At least Modesto-Turlock "share" honor.

1939 Reclamation Project Act. Extended repayment pd indef.
" " " " authorized 9c contracts
"

1944 opinion of Solicitor of Interior, which stuck: use int. on power allocation to pay off irrn. component. Thus in effect no int. on power component either.
Moley, p. 27. So? If so, is no local incentive to shift allocations to irrn., after
1944. Eckstein agrees, p. 228

But there is int. on pwr component in setting rates; there is not int. in re subsidy from taxpayers.
U.S., instead of collecting int., credits it to project, reducing debt to U.S. Only after irrn. ~~There still seems to be reduced subsidy on pwr comp., tho, bcs w. more int., irrn.~~ ~~pays out faster~~ component is paid out does U.S. collect int. on remaining pwr. component. There is incentive to keep irrn. component hi.

Thus '44 opinion pleases pwr cos; but still 4c subsidy, soaks taxpayer.
'51, changed to Colbran formula, paid out power comp. first, then use pwr revs. to pay out irrn. (perhaps in anticn of qn, what happens to pwr rates when aff is paid out. Must tack on large unec. irrn. projects to postpone this day)
In effect, pwr users have to be saddled w. irrn. in order to keep up rates.

BR changed to Colbran bcs the interest on pwr subsidy was understood & opposed. So now they ~~use~~ use pwr. revs to pay out power ... until later.

In all this, not Eckstein, Moley, nor Rensheau mentions the power cos.

The usual ascending series of cost estimates.

—

The fiction that there is no subsidy. Achieve subsidy by stretching out payout pd at 0-int. or below mkt.

—

Needed ... more work on suppl. irrn. Problem is, e-n farms don't have to, ∴ can't develop compactly. Or, if by pumps, just don't, no pressure.

—

No conscience on underestimating costs etc. The true test seems to be if the local people want it. ($2,000/a on C. Ariz. Proj.) Those who want it most are those

—

Liken moonstruck projects to occupation of W. Berlin. Once ~~committed~~ started U.S. had ~~to~~ ~~stay~~ commitment to stay there at whatever cost.

—

Reel. Proj Act. '39, allowed indef. repayment pd.; 9e contracts

—

Big boom in BR spending postwar

—

Non-repayment cited as sign proj. ng; my contribn, emphasize is bec U.S. won't collect for benefits it creates

—

We are engaged in race w. Russia. Re capital formn. But ng is kind of capital you pour in the ground, never retrieve; but the kind that pays out, then go on to use again — like origly conceived 10-yr revolving fund of BR.

—

BR got Boulder job. Total ~~cost~~ estd. cost: $165m, of which $38m for AA canal. Treasury funds, not public lands, whose dwindling sales were choking BR.

Some faults in Fed. policy

1. Performs local fns, not bes peculiarly fitted, but bes wooed for his money.

2. Discourages local enterprise

3. Even on projects where ~~if~~ U.S. is needed, ~~don't collect~~ subsidizes beneficiaries

4. sacred cows of policy develop

Incidentally

4. Develops obscure concepts to sanctify procedures. Discuss these just as seriously as tho had some real meaning, must do some damage to the human brain, sense of reality & judgement. a more ultimate value than all the material outputs

~~3. Discourages local enterprise~~

5. ~~Perverts talents~~ Heavy bureaucracies, need keep going, weak bargain'g posn. to protect public int. ~~Pay~~. Lobby for localities. Build first, ~~barga~~ plan later.

6. Pervert talents, produce some monstrosities – integrate extremities

7. Too ~~many~~ long to finish ea. project
   Over commit agencies, too many starts. ~~To~~ Thus like pvt. utilities, tie up sites
   slow settlement -- incl. slow buildg of distribn; & incl. 160 a. law h.o.

8. Cling to sacred cows of policy

9. Get into deep ruts, slush ~~poor~~ nation'l, limited capital into monuments of very dubious benefit, ~~simul~~ flimsier xparent rationalizations, simul apply the ec. axe to needed new ideas, lower standard of livg

Some defects of Fed. policy

Never learn distinguish call to chivalrous duty from
~~resist~~ coquettes who lone him bes he can pay their taxes for them.

Navn & flood control "nat. int." -- not just interstate, but anywhere. More recently, Reem, salinity control

Learn ~~Lagarcon~~ misfortune of yielding salable commod, but overcome by combo of int free loans &
besides forgiving large parts of debt
maudlin collections policy which, quickly extended repayment pds from orig. 10 yrs to 20 to 40
based on "ability to pay."
to almost whatever wtr users chose to pay.

Only power users are safe from the taint of fed subsidy. Their home honeum is strictly guarded by those stern votaries of public morality the pvt pwr cos.

On multipurpose projects - which today means almost all new projects -- it becomes very intg matter how much of TC is alloed to which fns.

→ Result is U.S. invited to work on wtrs not so much for special fns a central govt can render, but bes localities, given the choice understandably enough prefer to have ~~someone~~ ~~else~~ the rest of us pay for their improvement.

Some weaknesses of Fed. ~~program~~ policy

Never learned to resist blandishments of coquettes. Navy &
Maudlin collections policy, evolved into great int free subsidy for inm.
~~Most projects didn't pay out~~
Navy & flood control, "national interest" bns. Tolerate absurd allocations.
~~Let self be called in for money rather than uniquely~~
Agencies w. jobs to protect not in strong position to protect public int.
~~Agencies over commit selves, projects chronically half-finished~~

Gave special favors to a few.

Penalized localities which had helped themselves. ... Discouraged State & local enterprise. Imponderable, but possibly as much as they did they discouraged.

Used Fed m. to grease wheels, solve problems, fine — but weakened incentive to solve directly.

Dev. intricate rituals. where seriously Ph. sprinkle .. on foregone conclusion. ~~Wd be~~
~~Comic affair~~
Is comic, ~~but~~ worthy Molière, but ~~less to~~ much humor when reflect precludes ave. citizen from knowing ...

Talents perverted - integrating extremities

Subsidy results in more of what we want? No, less.

Taylor - "unswerving champion"

A. Present programs & their motley motivations

1. The Programs (or couple motivations w. each program?)

~~BR. From 1902~~ From 1902. Orighy small projs., now giant multipurpose, exchang's wth

A. Irrn. Break wth mopy; continue frontier - nation had gotten ~~rather~~ used to the ever-expandig w-n frontier idea, rather feincied it, & chose to prolong it as an affectation some time after it ceased to have much real meaning; gave arid w-n states equal status in pork barrel scramble, otherwise blind to humid states w. navigable wtrways

B. ~~Channel improvement & bank stabilizn~~ Navign (& bank stabilizn)

c. Flood control

D. Pwr

E. Others: recrn, salinity control

~~Not strain at gnats here~~

A

2. The motley motivations

Interstate coopn. (w/o U.S., Calif. & Ariz. ~~showed as much~~ wd hv. about as much chance of resolvg their diffs. over Golan as Syria & Israel over the Jordan.

Avoid wtr mngmt. ~~Congress~~ The U.S. by its incredibly prodigal & ~~shamelessly~~ corrupt disposition of public domain & its wtrs had let hi conc. of wtr dev., hampered devmt of west. A reformg gurtn felt: some respons. to rectify, & Recl. Act was result.

Oftimes U.S. called in not for unique services it can perform but ~~solely~~ for its money.

Notably in CVP; small projects Act; frntg distribn systems

B. Fed. achievements

Not all irm - p.12

~~Interstate~~ coordn. of resrc plng & ops

Use of navigation servitude. Tenn, & lesser degree AWR & Mo. CVP.

Legal & adm. pioneering.

—

Range areas, forestalling wtr mngmt, thus opening door for wider use of rangelands.

—

adequate devmt of sites. Previously both pwr ops. & F.D.s. almost universally underdevd

~~Offset underdevmt.~~? sites & wtrs, p.10

Introduced yardstick compn where none before. (Ideally not a fed. fn tho.)

—

Pioneered mass mkts for electric pwr, demonstrated demand elastic, & decreasing costs.

—

Pwr coordn: SEPA, BPA, TVA

—

Local coopn, via Munic. pwr distribs, I.D.s., etc. U.S. as wholesaler & coordinator

—

Progress toward flexible wtr system, in 9c contracts

—

Concd. on certain valley areas: Colo; Columbia, Mo., Tenn.

So. & W. The margins of the n.e. commercial-industrial core of U.S. in wtr

There, ther network of pvt interests has woven itself too tightly into fabric of political-ec. life to tolerate much outside disturbance, even if that means rejecting large sums of Fed. largesse. Thus if n.e. finds itself a net loser in the scramble for appropriations, it has in part its own rigidity to blame, & subservience to ~~fp~~ entrenched pvt. interests

—

Failure to pay out not so much a sign of poor project planng as of thoroughly maudlin reluctance to collect debts. As for crops, forage in desert, hi value, supplement & serve as insurance

B. Fed. Achievements 2

C. Fed. Weaknesses

c. Weaknesses of Fed. partic. The Seamy side.

~~Oftimes U.S. called in not for unique services~~

~~U.S. unable to distinguish suitors who love~~

Uncle Sam never learned to ~~can't~~ resist blandishments of coquettes who love him mainly for his money.

Penalized localities which had helped themselves. Not all to the bad, [for "helping one's self" has 2 rather ~~disim~~ different meanings, both of which usually apply in greater or less degree.] Localities which hv. helped themselves by ~~thdg~~ devlg lands & wtr. for use hv. also gnrly helped themselves to the best wtr rts, under the West's appropriative doctrine of first-come first-served. But Feds didn't discourage wtr grabbg -- just devlg. Grabbg more promisg than ever, just like buyg slum sites, for U.S. to buy you out.

Used Fed M to solve problems, thus reduced incentive for states solve own problems -- e.g. M&L. vs. Madera.

sprinkle holy wtr on foregone conclusions

Sacred cows: non reimbursables; O-int. for irrn. ~~Outlay~~ 160 acre law.

Complex empty rituals one must master bfr. understand what's going on, pretty effectively guarantee ave. citizen will not know. One of more irritatg is a rite known as "cost allocn" wherein seribes & Ph. burn incense before their interests. This cd. be just ludicrous, such a parody it is of itself, but it ~~bog~~ begins to ~~fire~~ pall ~~when one learns~~ after one has traced it thru only to learn that, after all, costs are not allocated by "cost allocation", since irrign charges are based on repayment ability. [Cost allocn serves rather to det. the Fed. contribution]. We might pass this off as another scene in the great human comedy but that it pretty effectively precludes the citizen from clearly understandg what is going on.

C. Fed. weaknesses, (2)

Fed. subsidy to few local landholders.

One agency seeks to mitigate evil by ~~Limit'g subsidy~~ divid'g subsidy among larger numbers -- ~~& it is~~

It is quite astonish'g how many people in the eyes of its fervent supporters fervently believe that a handout ~~subsidy~~ ~~ceases to be~~ a subsidy is transformed from a curse to a blessing when split ~~bestowed upon~~ among fifty citizens instead of ten. Has an unmatched capacity for rous'g strong emotions, & its supporters are among the more vital ~~important~~ people to avoid being buttonholed by.

~~Established pattern of~~

Trrn subsidy, by several routes -- optional repayment ~~by~~, 0-int

---

Not concerned w. blatantly pork barrel practises, but those w. semblance of ~~some~~ intellectual respectability, which are the more dangerous bes they wd. corrupt our minds

but w. their rationalism. It is bad enough to corrupt our gen't., but benefics not content w. this, must corrupt our minds - & often their own as well - to make ~~whole process~~ their position socially respectable. I will not dwell on moral basis of all this, but as a practical matter it incapacitates us for more constructive measures which only wait on an Am. public more alert to the issues & more alive to their importance.

Built-in biases do matter. Bes while certain kinds spend'g goes to absurd lengths, along well rutted ~~g~~roadways, vital needs neglected: pollution control; .. an immediate real decline in our standard of living. ~~Rezg~~ Recharge of grnd wtr recrs.

More Fed. weaknesses "a lot of little unjust enrichments are better than a few bigams."

Sacred cows; fetishes; icons.

Wtr. is Cl. I or II, no middle ground, much less continuous spectrum of choice.

Too eager. Integrate remote areas.

Big bureaucr. machine can't protect public int.

Never solved slow settlement problem; nor scattered settlement. Coordn & synchron.

Integrate peripheries -- & encourage intensive devmt there. Need means to compel release of better resources for intensive devmt.

W/o resale p. control, economies from Fed. Wholesale opns not fully realized.

" a distrib. net work for pwr & wtr makes also a handy fishing net for tax dollars.

Pushing ahead w. obsolete ideas. BR tieing scarce w-r wtrs to agric.; A.E. improving channels & floodplains while wtrs stink: both sinking funds into rcrs while need mnge grnd wtr rcrs.

Lobby for selves .. p. 10

Slow payout. 10 yrs origly — now 78 & more, at 0-int. BB recommends 50 yr max.

Projects chronically unfinished, bcs pol. process requires balancing commitments many places, many simul starts, beyond funds (unless underdeveloped)

allocate wtr by who contracts first.

" Quaintly archaic" systems

D. ~~Ideal rate~~

D. If philosophers were kings

Not go to relieve local taxpayers. assuming balances out long run among regions, shifts taxes This is a fiscal decision, shd be made independently on own merits.

E. New challenges — Wider choice than Cl I or Cl II wtr.

Apply ec. standards to design & quality of distribn systems ... go to "demand" systems?

— Mark off role as wholesaler & inter-regional coordinator, wtr & pwr. Sweep away all state & regional trade barriers to wtr & hydrel, but more positively, promote coordn, mark off role ... & keep out of retail'g, too busy.

— Effect reform of hopelessly archaic system of wtr rts by tak'g up rts & serv'g wtr as p.w.

— Fight Barrett Bill etc.

— Keep w.n wtrs open for e.n migrants of future.

— Wtr shortage mov'g e.

— Anomaly of latest technolog. wonders founded on ~~crumbl'g~~ confin'g bases of quaintly archaic social instns. Obviously too much res into technical, too little into social. Despite apoplectic reaction vs "social eng-g", is obviously what we need more attn to, higher quality. p.8

— Salinity; & all pollution.

— Lots more room in Calif.

— Critical shortage is not wtr.

Whence shall come the idealism & ~~leadership~~ ~~motivation~~ be found to carry thru the ~~mighty~~ feats of ~~eng-g &~~ political reconstruction that full devmt of our wtr resources seem to require?

— Cyclical balanc'g of wtr budget; also interregional. Time & space, over far greater range than heretofore, ever-expand'g frontier.

Valley Auth. already obsolete

More New Challenges

Use unique powers -- navn, & refuse State Cts -- as levers for reform of w.r. law.

— No lead or lag: synchronize all.

— Contract w. local for repayment w/o mak'g it a user charge. (briefly deride user charges)

— Basic recommendation: let U.S. role be based on ability to coordnte, not to force. Will use latter in depressions to pick up pieces, but don't let it become primary consider. — Thus encourage larger local projects, widen mkt

— Full coordn too much to hope for. But cd. at least forbid agencies from play'g pwr vs. game of preclusive acqn of key sites

— River basin units? as sub-units, ok, but already obsolete. & might block x/fs among watersheds.

Build in flexibility

— If going to coord local efforts, first coord. own agencies? But AE already under BR opn, so is ok. Pine Flat is uncoord. not bec of AE alone, but weakness vs. State w.r. law.

— Coordte, much as FRS coords nations banks

—

philosophers were kings

Fed. limit self to fns where its unique powers make it valuable.

Then jump in w. both feet.

Role as wholesaler & coordinator & synchronizer. Keep out of retailing

Assert nat. int. in wtrs. Keep open for migrants

Rectify abuses specified in previous sections.

New challenges

"Conservation" movement, vs. waste, also vs. mopy. BR served both ends.

—

There are some Fed. charges for fall'g wtr. — see Peffer notes.

1920 Wtr Pwr Act applied them, on navigable streams. p. 316, n., wtr license fees negligible.

—

Recl Act work has mostly improved pvt. lands. --- evidence of local legroll'g.

Hes idea was to improve public lands for settlers. Also to clement of speculation in gett'g all the irrigable land.

—

1920 Congress nailed down title to remaining pwr sites.

Pref. clause from 1906.

—

U.S. projects are fined by U.S. bonds, int. pays taxes; local projects, local bonds, no taxes.

—

TVA pays in lieu of taxes.

Scandals -- Insull & Forshay -- made hard for utilities to raise $.

Miss. V. assoc. pro-urban 9 9477

Protect St. Louis &c. cities.

C.E. hv. flood by-pass easements on areas of bootheel.

1906, Salt R. Project, 1st commercial pur sale by U.S. Pref. to public bodies.

---

a Fed. defect: uniform rates regardless of xmsn costs. Subsidize remote fm users.

as in NW pur grid.

2d Hoover Comm. did not suggest reducg subsidy to localities; but rather that subsidy shd come in form of in lieu of taxes, rather than low pur rates.

~~too~~ . While Fed. "subsidy" is often charged, remember pays no local taxes; & what is involved is xfr from pur users to propty taxpayers, is more of an issue than subsidy.

1920s & esp. 30s. Flood Control becomes nat. for.

1950s, plethora of reports but few new policies

---

backlog of projects authorized ~~by~~ but incomplete. Sometimes that is what local people want too. 40 yrs to complete lower Mo Basin program.

Worst thing ~~the~~ Congress can do is hold out hope to localities for fed aid, then not give it. Wk Pollution Control Act, 1948, but subsequent approprns not forthcoming.

---

w/o respect to hydrographic lines.

"sensational"

Flood control is the very type of lvt fn. – no user charges possible. Hence strong support for ~~big lbr~~ Fed. provision, from big landholders.

Ohio Conservancy Distrs., Miami & Muskingum, assessed to benefited "prop'ty".

—

Just to get started, past the point of no return, is the race, AE vs BR vs MVA or pvt., etc.

—

Groups whose zeal is largely for Ag l.v. & lower prop'ty taxes support AE bcs doesn't want in back.

—

Cumulative Δ demand for levees: build one area, worsens problem next area, etc.

—

Flood control benefit lim. to rip. lands; irrn to wider areas.

—

BR in Mo Basin refuses to delimn wtr to any of excess landholders landowned he agrees to dispose of excess. – p 204, Mo: Land & Wtr.

—

In practice AE & BR lay their separate plans, w. their clients & appropriations in mind, then come together & compromise them by logrolling. This is a far cry from integd multi-purpose plng. & scarcely an improvement over the old way. Basic data differed – were telling diff. lies. No guarantee wd not just come up w. compromise lie.

—

p 219 On Mo., AE hv. argued for higher allocations to reimbursables, which wd. result in higher pwr rates. Suggests they are also in bed w. pwr cos.

~~(sic)~~

Need to develop rational bases for adjustment or reconciliation among competing uses.

Need est. productivity diff. uses, &, more imptnt, det. to use this as means of allocating wtr.

More flexibility — both for daily opns, & adjust to variable flows, long run.

More thought to timing. Pvt enterprise may give too much premium to the immediate $, public goes off other extreme, equates values of 1999 w. those of 1960

synchronize.

Effects of scattered settlement on distr. costs; & of proj. planning & foreign settlement pattern.

Means to replace ec. alloc. for logrolling, of $ & wtrs.

7+ Peck, Mont., built 1933-38. Other Mo. dams postwar.

Some coordn achieved w. BRR in Mo Basin.

—

2 m kw or so to be installed in Mo. BR markets pwr.

—

TVA did its own building — hence contracting firms opposed MVA.

—

C of Eng. supporters: Mississippi Valley assn.; Nat. Rivers & Harbors Congress.

—

a ε .. an orgn so powerful & indep. it may as well be considered a fourth branch of our govt.

Kerr hrgs disclosed desire for ff. programs to be expanded:

1. D.I., smallwtrshed, PL 566 as amended.
2. pollution abatement. (will grow, w. return flows, nuclear wastes etc.
3. Fed. Loans to munic.s (what's the advantage? Munic.s can borrow cheaper).
   For full devmt of sites
4. More research
5. Pro a natural res. council in adm., like CEAdvisors.
6. Full consideration to recrnl bens.
7. " " " fish & wildlife.

— Re full devmt of sites, credit mkts partly to blame, demand excess security.

— Re-use of wtr, cheap source. Schad says is cheapest source, new wtr.
But was speak'g to sanitary engrs.

— Pollution report ff by Kerr Commee fails to mention Δ salinity.
Does mention soil & sediments from runoff.

— Some streams relatively overdeveloped: Upper Missouri
Upper Ark-Red
Upper Rio Grande-Pecos
Colo.

The Tennessee has far lower ratio $\frac{\text{storage}}{\text{flow}}$ than these.

— Control phreatophytes. & evapn.
Reduce distribn losses

'56, Ike's "advisory commee on wtr resrs policy", an interagency study.

Most of its recommendations not even xmtd to Congress. Except one,

local cost sharing for flood control.

9-59, Congress overrode Ike's 2d veto of Public Works Approp Act for 1960,

first such defeat for Ike in 7 yrs. Congress rebelling vs. "no new starts".

Now a Select or Special Commee, Senate, to study wtr resrs.

—

Achievements.

Valuable info. services: Flood Warning, Snow Survey, U.S. gaging

International relations

—

Presently a special Senate commee under Sen. Robt S Kerr of Okla. conducting nationwide

hrgs etc ...

—

People who write about other people must have a great influence on human

behavior, for they implicitly apply behavior standards in judging them, &

people care what is said about them.

—

Much moaning re concealed subsidy, O-int. But is same to put pwr cos,

valuable sites, O rent.

UNIVERSITY OF CHICAGO
CHICAGO 37 · ILLINOIS
GRADUATE SCHOOL OF BUSINESS

April 28, 1960

Dear Mason:

Your Federal water policy item arrived, and contains many of the shrewd hits I've come to expect from your writings. A good job! To grind my own axe a bit, about your criticism of private power and water interests for "under-development," let me make the following points. (1) I think your standards of appropriate development are influenced by histories and examples of "successful" public projects. But the success of these projects is based, if interest is charged at all, upon a 3%-4% rate of discount. Now a private agency must have a project yield around 10% pre-tax to have enough left over after-tax to cover the cost of capital. Let me suggest to you that 10% is really the correct opportunity cost of capital investment in our economy (for projects of the public-utility type), so that the successful public projects are typically grotesquely over-developed, in terms of alternative consumption or investments foregone. (2) Your specific criticisms of private enterprise here seemed to combine the ideas of monopolistic restriction of output and the pernicious practice of grabbing water and land rights even though they may have to be under-utilized. The first is certainly a genuine defect, subject to the practices of regulatory commissions and, perhaps more important, competition of nearby areas. Your argument is the classical one that public ownership is better than public regulation -- which I concede in theory, but it will be hard to convince me in practice. As for the grabbing of rights, aside from the monopolistic aspect just treated above I see no objection -- provided that there are no other claimants to the right or, if there are, that they be auctioned to the highest bidder.

Since I have been frankly enthusiastic about your work in general, I will take the liberty of saying that the Patman piece is unworthy of you -- or perhaps worse still, it is worthy of Patman. If you can step back and look at that last paragraph, you will see what I mean. In a campaign speech of William Jennings Bryan it might not be out of place.

Still haven't gotten to the urban expansion item.

Cordially,

Jack

Jack Hirshleifer

A great pleasure having finally met you. Hope we can renew the occasion before too long.
Jerry M. is looking up Peabody v. Vallejo !!

Facts do not cease to exist because they are ignored – A. Huxley

There is little in the political process to guarantee that we develop the best sites & resources first.

Water systems need coordinating with road plans, etc.

Points to enormous need for integrated planning of land development.

Our modern roads follow Indian trails bec the pattern once set nurtures vested interests to perpetuate it.

Likewise our wtr system

follows primitive ancient priorities & taboos that were obsolete before the horse & buggy.

Advantage of Fed. money & control. don't have to run a branch line to every city. By contrast, FRP seems destined to founder in this trap, on these shoals Like "Fed." Hiway Program, w. state control; and by state canal programs of yore.

We tend to build ~~the~~ wth systems as we do hiways, as ends in themselves, w. precious little coordination w. pvt. or public planning of lands ~~they presumably are~~ whose service, one wd. think, is their raison d'être.

Write Lincoln, need study of Fed. Hiway program.

There is major sex appeal

& historical analogies.

Int free subsidy – mention in 2d P.

W/o int., time stands still. No sense of urgency.

One ~~of~~ outcropping is BR's continuous method of dealing w. land speculators

Nth dev is form of r.e. devmt
2 like all. plagued by land spec.

Local I.D.s hv evolved effective
way deal w. problem. Tax land
regardless of use. Sina not subsidized
taxes are hi; & hi fixed charges
build fire under landholders.

BR strongly wedded to
irrm. subsidy idea. Works thru
I.D.s, & taxes, but bcs heavy
subsidy, taxes ~~not hi enough~~ too low!
to create much sense of
urgency.

also too low avoid, long Ds.
To latter problem 160a Law
addressed

Works like this . . .

Also space problem.

Adds insult to injury – seeks sanctify subsidy by spreading around a little.

—

Time stands still for feds also in technique. Once pioneers Now stuck in well travelled ruts.

Navn, irrn & flood control carried to ridic extremes Pollution neglected. Pwr under-nourished.

(Also danger of U.S. vested int. in power fight new subs.)

In wtr storage, shd be pioneering underground resrs, recharge & mgmt. 160 a. law incapac. — no control of wtr.

160.

Land is permanently price-controlled.

After settler on land he is tied to it ~~like French peasant~~. For cannot sell at mkt value only at pre-imm value.

After signs, landholder has 10 yrs to sell excess. & to work for repeal of law or special exemption, some of

---

Landholder balks. Works for special exemption. Alternative sources. Large owners mv. Little incentive to sell at pre-imm price. Can always continue use as before be as well off. BR has

held out carrot ~~as~~ – wtr for 10 yrs for excess if sign – & a stick — no wtr even for 160 a if dvt + sign.

Best longer holders not impressed by wtr for 160. & in 10 yrs cdn't use wtr anyway.

~~Better to wait.~~

Alternative sources: grnd wtr. BR can't control. State proj. Or dev. own underdev. wtrs.

Meantime BR disposes of wtr to 1st takers

FEDERAL RESERVE BANK OF KANSAS CITY

KANSAS CITY 6, MISSOURI

June 3, 1960

Mr. Mason Gaffney
218 Mumford Hall
University of Missouri
Columbia, Missouri

Dear Mason:

Thanks for the article. It obviously represents the product of intensive thought and wide knowledge and, in addition, is very cleverly represented.

Sincerely,

allen

AVK:AD

PURDUE UNIVERSITY
AGRICULTURAL EXPERIMENT STATION
LAFAYETTE, INDIANA

DEPARTMENT OF AGRICULTURAL ECONOMICS

June 6, 1960

Professor M. Mason Gaffney
Department of Agricultural Economics
University of Missouri
Columbia, Missouri

Dear Mace:

Thanks for your article on "The Federal Role in Water Development". I certainly envy your ability to write. Please be sure and send me a reprint from CHALLENGE when it becomes available.

Sincerely yours,

Vernon W. Ruttan
Associate Professor

/jk

DAYTON DAILY NEWS

Afternoon and
Sunday Morning

DAYTON, OHIO

June 8, 1960

Dear Mason,

Thanks very much for your water piece. It sounds like it's going to have the same fate as my copy of your Agricultural Yearbook piece on urban land prices, worn thin from being passed around and from my own rereading.

We happen to have one of those watersheds where wise use of the underground aquifer could make all the difference in the long future of this valley. That's the hook for circulating your piece in Dayton, but I hope that some of your ideas on financing and property values percolate into the underground mentalities hereabouts.

I hope the receipt of your fine bit of writing and research means I'm on some kind of list to get more of your production.

Sincerely,

Walt Rybeck

Walt Rybeck

GERALD M. MEIER
498 Pine Street
Middletown, Connecticut

11/VI/60

Dear Rae:

Many thanks for the offprint of 'Water Development'. I enjoyed reading it very much.

Do come and visit with us whenever you are in the area.

We are away on west coast + then Sweden this summer, but back in Sept.

All best regards, + thanks for remembering me.

Yours,

Jerry M.

Hope you are enjoying Rossini very much!

THE UNIVERSITY OF BUFFALO
BUFFALO 14, NEW YORK

SCHOOL OF BUSINESS ADMINISTRATION

June 14, 1960

Dear Mason:

I am writing in haste to do two things. One is to thank you for sending me a copy of your paper on "The Federal Role in Water Development." It is very interesting and is extremely well written. Keep it up.

The other thing I want to tell you is that I am migrating — this time back to my Alma Mater to a professorship of economics. After about August 15 I can be reached at the Department of Economics, University of Texas, Austin 12, Texas. We have four children and the move will not be an easy one; but after we are settled down again, all will probably be for the best.

Warren Grimm is trying to do some writing in an area similar to yours — as I recall, criteria for federal investment in water or multiple-purpose (river valley) facilities.

Don Shelby is leaving Maryland soon for a job at Northeastern Univ., Boston.

Not much other news here. Best wishes for the summer.

Sincerely,

Forest

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON 25, D.C.

RAYMOND J. SAULNIER, CHAIRMAN
KARL BRANDT
HENRY C. WALLICH

June 7, 1960

Dear Mr. Gaffney:

Thank you very much for sending me your very amusing article on "The Federal Role in Water Development." It is one of the most entertaining pieces I have seen in a long time, even though I wouldn't subscribe to all you say.

With best regards,

Sincerely yours,

Henry C. Wallich

Henry C. Wallich

Mr. Mason Gaffney
218 Munford Hall
University of Missouri
Columbia, Missouri

C O P Y C O P Y

THE SHELBURNE Lexington Ave. at 37th St., New York 16

(Rec'd June 24, 1960)

Dear Harlan:

Thank you most cordially for your note, the ad, the dope about Secretaries. It helped a great deal to orient me. I have an important interview here on the 29th and won't get to SFO till the 1st. But Priscilla and the children will arrive the 29th by airline and stay at the Hotel Sutter for a couple of nights till the house is ready.

I was interested in your Sierra Club girl but I think I will treat myself to the luxury of a full-time woman with undivided loyalty. Just that sort of half-time help has been driving me nuts the last several years. x

Had a very interesting article from Gaffney. He writes well and thinks strongly. I will now try and see if he can't do something for the Digest, but I have not yet written him for lack of time and clerical help.

(I am now in N.Y. while Priscilla dissolves the house).

x If she wants to consider working for me full or 3/4 time and for nobody else, I shall be interested in talking to her. See you soon. Best regards and thanks!

/s/ WOLFGANG

Carbondale, Ill
June 8 '60

Dear Professor Gaffney:

Thanks very much for your most interesting article on water development. It seems to me to be one of the best things I've seen, as to content, and even more as to style. You should write a lot because your clear and witty style should be read. It's worth reading as literature.

I hoped to find something on the Upper Colorado project, but I guess you didn't have room for that — a first-class scandal, I should say.

Very Sincerely
John Ise

(back to Lawrence June 20)

File.
Challenge article

JOHN D. HICKS
66 SOUTHAMPTON
BERKELEY, CALIFORNIA

June 8, 1960

Dear Mason,

I have received and read with much interest your paper on "The Federal Role in Water Development." You seem to me to hit the nail on the head with each position you take. I have moments of complete despair as I contemplate the stupidities of democratic government, but I console myself the best I can with Churchill's remark that "democracy is the worst form of government there is, except every other." Likewise I grow increasingly despondent about what Mark Twain used to call "the damned human race." As Carl Becker once observed, it didn't bother him much to have to give up his belief in God, but it hurt to have to give up his belief in Man. The U-2, Summit Conference, and subsequent comments on both, have left me almost completely devoid of faith in anybody or anything, whether God, man, or democracy.

Of course there are always the people I love, like you and Estelle. And the fun of work. My book on the 1920's has had some good reviews; did you see the one in the New Republic? I'm doing now one of those "Service Center" pamphlets for teachers of history — also on the 1920's. Lou Krall took us to a Giants - Red Sox game yesterday, and the Giants won. That seemed somehow worthwhile.

Lucile for 2 weeks has been miserable with ear infections, + can scarcely hear. She's finished with her practice teaching, + considering a part-time job for next year. Mary's baby comes in July. We may get to Dartch Flat before then for a week or so, but will be in Berkeley most of the time until at least July 15. The University is giving me an L.L.D. this commencement, June 11. Currently the grandchildren are all well.

Saw one of your ex. colleagues at a reception recently — a Dean of something or other. He spoke well of you.

Ask your darling wife if she's forgotten how to write. As ever, John

JOHN LAWRENCE MONROE

June 13 1960

Mack:

Can you spare me 2 to 5 more copies of "The Federal Role in Water Development."

Great!

JLM

DIRECTOR
Commerce and Industry Division
HENRY GEORGE SCHOOL OF SOCIAL SCIENCE
236 NORTH CLARK STREET · CHICAGO · CENTRAL 6-3348

THE NATION – 333 SIXTH AVENUE – NEW YORK 14, N. Y.

June 17, 1960

Dear Mr. Gaffney:

Many thanks for sending me a copy of your very interesting paper on water development.

Best wishes,

Carey McWilliams
Editor

NEW YORK 1, N.Y.
JUN 17
9-PM
19 60

BUILD YOUR FUTURE
WISELY, SAFELY
U.S. SAVINGS BONDS



THIS SIDE OF CARD IS FOR ADDRESS

Mr. Mason Gaffney
218 Mumford Hall
University of Missouri
Columbia, Mo.