Re Ben Moreell

Morrell.

GR Taylor p. 74

States fighting rr. to protect vested in canals.

Etc. — put him in perspective

Restrictive bias. Sees that costs hv. bn overest. & benefits under, but not opposite.

Points up ~~inadequac~~ diff. criteria used by diff. agencies to justify projects. Good pt. ~~No recognition of inter-agency rep't, attempts to reconcile~~ - tho his p. 451 may hv come from their rep't. Purely negative criticism

Much inconsistency, wandrg. But in one sense quite consistent.
1 Hard to find discrepancy between his views & those of pvt. power lobby, Purcell Smith. This may be a coincidence.

When central gov't begins to aid local fmce, process likely to proceed very rapidly, as local govts wait for external support, ~~feign~~ dissemble poverty, etc. Process evident in many lines. Genuine problem.

Vagueness, reluctance to specify reports, projects, agencies, committees alluded to.

Undue attn to 18-19th cent. hist., contributes little. Jibes w. bias for regression. Inadequate, indeed no attn to current problems.

Lack of balance, & org-n, due emphasis, in entire book, structure.
Is certain irony in man who cannot org. own thoughts presumg to reorg. U.S. gov't. POW!!
Hodge-podge
One is inclined to look somewhat skeptically on the org-l recommendations of one who is so painfully unsuccessful in org'g his own book.
Cannot wait for appropriate spot to present his conclusions, keeps interjectg, his opinions pop up gratuitously all over place

Moreell, Ben. OUR NATION'S WATER RESOURCES -- POLICIES AND POLITICS. Lectures given at the University of Chicago, April and May 1956. Published 1956 by The Law School, The University of Chicago.

Reviewed by Mason Gaffney

The reviewer has sifted this work for redeeming qualities in vain. Its scholarship, undocumented and partisan, is not credible. As exposition it is chaotic, as art, dull, as counsel, unbalanced, and as logic, circular. Moreell's conclusions are his premises, buttressed only by repeated affirmation. In lieu of analysis he offers labels, pitting the Founding Fathers, God, and sound business principles against ideology, Socialism, and raids on the treasury. He emerges from this semantic comedy just where he enters. So, no doubt, will most of his readers.

Lost in his enigmatic vocabulary the author seems to contradict himself continually. For example he would insulate Federal decision-makers from "politics", but render them more amenable to "local interests" and "Congressional control." On public projects, "no matter how well they are hidden or camouflaged, interest charges are real costs that have to be paid by someone" (125), whereas rapid tax write-offs for private utilities involve "no question of real subsidy . . . Likewise, there is no question of loss to the government . . ." (173). Decisions to build dams must never have a "political" or "ideological" basis; decisions not to build dams, on the other hand, may have almost any basis, including "the political philosophy of the Founding Fathers," the Declaration of Independence, and fear of the Socialist platform of 1901. And so on.

Moreell is thoroughly consistent, however, in opposing public and especially Federal enterprise, not only power and reclamation, but flood control, waterways, airways, and highways. His aim is to stop waste of public funds on projects whose costs exceed their benefits. The reviewer

applauds, but would suggest it is also wasteful not to develop projects whose benefits exceed their costs. Moreell believes that "If development projects are economically justified, financially feasible, and desirable, ways and means will be found to provide for their accomplishment without Federal control and financing." (216) He never meets the interesting arguments to the contrary, such as that regulatory commissions cannot force unenterprising monopolists to take positive action; that basic public works should lead, not lag demand; that jealous State and local governments will not often act in harmony; and that private developers could not easily collect for non-salable and indirect benefits.

Where he could not liquidate public enterprise, he would have it charge users "at least" the full costs, including some phantom interest and taxes, with very limited allocation of costs to anticipated future users. "Subsidy" is anathema. Again, he fails to meet the marginal-cost pricer's argument that subsidies to decreasing cost enterprises may create benefits greater than the subsidies.

He drops strong hints of chafing to go farther and charge the users of salable services "at least" as much above average costs as may be necessary not to undersell a private competitor (206, 209). While his language is equivocal, this might mean that he would not let shipments through the St. Lawrence Seaway, however underutilized, at rates below the New York Central's. He rightly assails governments which treat scarce resources as though they were abundant. This would be treating abundant resources as though they were scarce, depriving the community of their full benefit.

Moreell argues, too, that development may irretrievably commit scarce waters to uneconomic uses. He points to a real problem, but shows no interest in any solution but indefinite delay. If we must choose, some benefit would seem preferable to none.

The art of balancing benefits and costs on water resource projects is an underdeveloped one, posing many intricate challenges to economists. The problems may yield to patient analysis, but not to empty fulmination.

Lessons re book review.

Next time:

1. Write for the scholarly jnl alone, not w. the Reporter in mind

2. Emphasize significance of thing being reviewed – with Morrell, his position, spokesman for Hoover commission, growing influence, argument re holding in reserve.

3. Tell what the books says & is before criticizing

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Lost in his enigmatic vocabulary the author seems to contradict himself ~~often.~~ continually. For example he would insulate Federal decision-makers from "politics", but render them more amenable to "local interests" and "Congressional control." On public projects, "no matter how well they are hidden or camouflaged, interest charges are real costs that have to be paid by someone" (125), whereas rapid tax write-offs to private ~~power companies~~ utilities involve "no question of real subsidy . . . Likewise, there is no question of loss to the government . . ." (173). ~~He would have us "view with cold suspicion that old, shabby, shopworn cliché, used ad nauseam by advocates of profligate government spending, that such socialistic projects are essential 'for the national defense'" (158); but rapid tax write-offs are desirable because to "provide a sufficient margin of capacity to meet wartime production goals . . ." (171).~~ Decisions to build dams must never have a "political" or "ideological" basis; ~~but~~ decisions not to build dams, on the other hand, may have almost any basis, including "the political philosophy of the Founding Fathers," ~~fear of~~ the Socialist ~~Party~~ platform of 1901, and the Declaration of Independence. And so on.

Moreell ~~is entirely consistent~~ never wavers, however, in opposing public, and above all Federal enterprise, not only power and reclamation, but flood control, waterways, ~~and industrial~~ airways, and highways. ~~The economic aspect of his~~ His ~~reason~~ aim is to prevent waste of public funds on projects whose costs exceed their benefits. The reviewer applauds, but would suggest it is also wasteful not to develop projects whose benefits exceed their costs. Moreell ~~says~~ believes that "If development projects are economically justified, financially feasible, and desirable, ways and means will be found to provide for their accomplishment without Federal control and financing." (216). He never meets the interesting arguments to the contrary, such as that regulatory commissions cannot force unenterprising monopolists to take positive action; that basic public works should lead, not lag ~~behind~~ demand; that jealous State and local governments will not often act in harmony; and that private developers could not easily collect for non-salable and indirect ~~net~~ benefits.

Where he ~~would or~~ could not liquidate public enterprise, he would have it charge users "at least" the full costs, including some phantom interest and taxes, ~~and~~ with very limited allocation of costs to anticipated future users. "Subsidy" is anathema. ~~Cheap power does not~~ Again, he fails to meet the marginal-cost pricer's argument that ~~user benefits will substantially exceed a subsidy to a decreasing cost project.~~ additional subsidies to decreasing cost enterprises ~~may~~ create ~~user~~ benefits greater than the subsidies.

~~While his language is equivocal~~, He drops strong hints of chafing to go farther and charge the users of salable services "at least" as much above average costs as may be necessary not to undersell a private competitor. While his language is equivocal, this might mean that he would not let shipments through the St. Lawrence Seaway, however underutilized, at rates below the New York Central's. He rightly assails governments which treat scarce resources as though they were abundant. This would be treating abundant resources as though they were

scarce, depriving the community of their full benefit.

Moreell argues, too, that development may irretrievably commit scarce ~~commit water s~~ waters to uneconomic uses. ~~irretrievably to unproductive uses to other than its best uses.~~ He points to a real problem, but shows no interest in any solution but ~~other than~~ indefinite delay. If we must choose, some benefit would seem preferable to none.

~~Federal spenders surely need a competent gadfly~~ the check of benefit-cost analysis. Let us hope that the resounding failure of Admiral Moreell's fulminations may attract a more agile critic to the front lines.

Benefit-cost analysis is a challenging application of the economist's art. empty salvos

If the resounding ~~failure~~ ineffectiveness of its empty salvos shd attract another to do better, it may yet serve a useful end.

Benefit-cost analysis ~~of~~ ~~developm~~ basic public works is an ~~intricate~~ underdeveloped art, posing many intricate challenges for ~~economists~~ analysts. The answers ~~will~~ will be found ~~by~~ patient

The ~~econ~~ art of balancing benefits and costs on water ~~development~~ resource projects is an underdeveloped one, posing many intricate challenges ~~for~~ to economists. ~~analysts.~~ The ~~solutions~~ problems ~~should~~ may yield to ~~will yield to~~ patient analysis, but not to ~~call for~~ empty fulmination.

Catchwords

Produce less, higher price

Reverse yardstick

Ec. of scarcity. Restrictive

~~Treat free goods as the scarce~~

~~Wd straight-jacket~~ Fed planners w. ∅ constraints:

1 ~~His~~ Boundless faith in reg commissions, above all FPC, ~~is boundless.~~

All the interesting & difficult questions remain unanswered. Vague to pt. of nothingness. Trails off into vacuum of double-talk

Fed. gov't ~~shd. not build dams for ideological~~ reasons. But ok not to build

Policy recommendations

1. Fed. ~~aut~~ responsibility.

p. 203. "nat. defense," "preserve the nat. domain"; "regulate interstate & fn. commerce."

Means port channels, interstate & -national waterways, if truly navigable.

Flood control & reclamation, if benefits are "national" Fed. pay only those benefits not directly assignable to local beneficiaries. As 1st step, beneficiaries pay 50% cost of benefits they receive. (Basically, flood control & reclamation are "business" activities - p. 55) (so are highways, waterways, etc. p 55)
Power, only as by-product, ~~sold be~~ No kmsn.

Hi rates - p. 206. Reversing the yardstick

Coordinate local groups, but not control. (how? a neat trick)

No valley authorities. Ad hoc local leagues.

2. Finance

Benefits received. Direct only. Must exceed costs by some unspecified amount, p. 209. Beneficiaries must be ready & able to pay.

User charges, to cover ATC. Non-vendibles, pay = cost, but doesn't specify how. (209)

Rates at least as high as best prt. alternative. p. 209
% project helps nat. defense, let defense dept pay. p. 22

Recommend steps to assure priority of "econ." over "political" considerations.

1. Congress establ. code of principles for all agencies.

2. Decentralize plannig to non-Fed. ~~"groups"~~ "entities" who also help pay.

3. Presi est. water res. board, to "insulate the plannig & construction agencies from political pressures." (Congress?)

4. BB, special review board.

Special items:

FPC reg. rates, all Fed. projects
AEC take over TVA
Fed. sell its power "activities"
" assume no utility responsibility
Repeal pref. clause.
End land limitation
User charges on waterways
Continue P.H.S. pollution control, but spend no money on works.

p. 216 ? if project is desirable, "ways & means will be found" w/o Fed.

Conclusions: p. 217

1. Let water resource development lag, not lead
2. Primary Beneficiaries pay (meaning users?)
3. Pvt. or local finance
4. Fed. only do ~~and~~ proj.s of 'national' benefit
5. Strict construction
6. Efficient
(7. Against sin?)

From what do conclusions follow? Are not conclusions at all, but premises. No critical analysis, ~~no~~ very little sharp definition

P.r. theory, p. 162

Untroubled by any need for consistency - p 171, 173

Trend backwards, 178

180 criticizes public power for not meeting demands — but whose fault is that, if so?

Labels more important than substance 185

The reviewer's ~~has~~ ~~combed~~ searched ~~of~~ this Adm M's book for redeeming features for the substantive content of these ~~book~~ w. little has lecture notes has not been richly ~~to~~ ~~soften~~ temper his ~~overall~~ judgement, ~~but it is no use~~. ~~to success~~ rewarded. The Adm's ~~protracted~~ ~~meticulous~~ ~~+thunderous~~ ~~+thunderous~~ cannonade ~~consists of~~ a salvo ~~after salvo of~~ ~~+thunderous~~ ~~blanks~~. +thunderous salvos are mostly blanks. +thunderous upon +thunderous, +is deafening, ~~but his~~ salvos ~~are blanks~~.

Basically +his is simply one individual's credo - (one ~~that happens to parallel~~ to which +he Edison Electric Inst wd take few exceptions)

Waitman, p. 2

1500 kw. hr per month

CP&L			Duke		
50	@ 3.9	1.95	10	@ 8¢	.80
100	@ 2.9	2.90	40	@ 3.7	1.56
1000	@ 1.9	1.90	1450	@ 2.0	29.00
1250	@ 1.5	18.75			$31.36
		$24.60			

Morell's policys

Write up lightly + my Reporter

Need interagency coordination

M's goals, avowed

Make gov't more responsive to local interests - (landholders?) - & ~~charge~~ ~~them~~ at their expense

Coordinate Fed agencies

Weaken " " , eliminate some

Stop Fed. generation of power

Get ~~Pol~~ "politics" & "ideology" out

M's goals, inferred. (Deplore putting words in mouths, but so lost in meaningless words must read between lines, ourselves)

Stop all Fed bldg - accentuates the negative. Very conscious of waste of our bldg, not at all of waste of undeveloped.

Waitman

Rate decreases as Q increases

CP&L rates

1st 50 kw hrs per month	3.9 ¢
Next 100 " "	2.9
" " " "	1.9
Over 250 @	1.5

Water heater discount, deduct $\frac{1}{2}$ ¢/kw hr for 450 kw

Duke

80 ¢ for 1st 10 kw hrs

3.9 ¢ per kw hr for next 40

2.0 ¢ per kw hr " " all over 50

1.65 ¢ per kw hr, 1st 100

1.00 ¢ for all over 100

Demand factor, penalties } Industrial
Power factor " }

Prof. Winkler says distrib. cost is small cf. to generat'g. Sta?

Power by which power factor.

$P = E I \cos\theta$ E, voltage
I, current

I is the limiting factor, heats generators.

His arguments:

His opponents savor of
~~He opposes~~ socialism, collectivism, politics, ideology

His program is based on
~~He favors~~ Found's Fathers, free enterprise, patriotism, God, sound business principles

One watches w. a certain horrified fascination the spectacle how the think's & experience of decades may be contemptuously swept aside by a salt water admiral armed w. a few borrowed cliches

~~His~~ devils in his firmament not clearly identified. Are they the bureaucrats? The land specs who seek special favors?

If Morrell has had much experience w. a given study to actual water problem in field he keeps that fact well concealed. Doctrinaire, on hi level of abstraction.

Sweep's generalities – p. 46 e.g.

Little is pinned down to specific agencies, cases.

Cites undeniable trend toward greater Fed. ↑ frig of all projects, gifts to local interests. No constructive alternative tho.

p. 49. In same breath criticizes Fed. for subsidizg local ints, & for not payg local taxes.? This is consistent from view of one critizg low power rates, but not one critizg pork-barrelg, as Morrell takes posture.

Elephantine. Gracefully as hippopotamus,

~~Terrible strain of his org-n~~. 46 et seq. Painfully forced ~~strained~~ & ↑ self-conscious org-n.

~~engenders uneasiness in reader~~ – makes squirm

pp. 46 et seq. Promises to show "contrasts & conflicts" of Fed. policy, but just a scatterg of descriptions

Ec. aspects.

Keynote review.

1. Restrictive bias. Sees one waste, not other.

(Like an admiral who holds his entire fleet in reserve, re water)
(Only $3.9b total, possible positive waste. Neg. waste doubtless greater. 1927
There is waste in ~~pork barrel~~ invest'g $100m ~~for~~ to create net rep't maybe.

Faith that "way & means will be found". But they weren't, hence
Bonneville, Boulder, Coulee, Shasta
Fed partic-n. He must see this as well as anyone. Based on
other blind spot, he doesn't care if

2. Price cover ATC, "at least", & maybe more. User charges.
Reverse yardstick. Charges as hi as best pvt. alternative
Use i.r. as hi as pvt. co. pays, p. 162
3. Direct benefits only — & not clearly defined.

4. Xfr most all public fns to pvt enterprise — even hiways & waterways.
& flood control, non-vendible benefits.

5. Faith that mkt will coord., plus local govt's.

6. Developments lag, not lead. Wait until ready to pay

7. Repeal pref. clause

8. End land limitation.

Outline

List his ~~arguments~~ positions. But he doesn't meet arguments on other side. List those arguments.

Further, several serious internal contradictions. ... In fact, hard to find a P w/o its ~~gross~~ bull or blunder ~~a minute~~ ~~second~~

On one pt, however, ~~seem~~ waves, off course ~~by a~~ high rates. only a little

One is tempted to think is just another prop. burst from power lobby. and for practical purposes might as well be. But a couple of deviations from party line suggest Adm. is steering own course. after all.

Seems never to have heard of no new starts policy. p. 17. Trend upwards. But p. 45, cites it.

~~Semantic comedy.~~ ~~Abrasions~~

Statement of opinion. As ... is ——, as —— is ——

etc. Even as propaganda is clumsy. Nevertheless is of interest to costs & students of water res. as forthright statement of dogma whose growing influence in hi places is apparent.

TP 2.

As a policy maker, ~~At start~~ one may ~~sum up~~ sum up general his objectives as ff. ~~To xfr control~~

First, to xfr as many functions as possible from public to pvt enterprise.

2d, to ~~keep~~ xfr as many public fns as possible from Fed. to local govt.

3d, to coordinate various Fed. agencies

4th, to increase Congressional control

5th, to ~~increase rates~~ charge full cost of all public projects to ~~direct beneficiaries, &~~ the users

Check 'Review of reviews".

List good suggestions

~~Wants keep water fluid, alienable~~ Wants keep water uncommitted. But he wd do it by delaying development to last possible moment — & maybe longer. On his reasoning, never develop, delay forever — assumes is cheaper to do later. But that will be as true 10 yrs from today as today, & 20, & 30. Why then shall we? that once committed, never withdrawn. Answer not to delay dev.mt, but make water more readily alienable. Let beneficiaries pay — but ~~he mis~~ is room for dispute over who they are, he's wrong.

Wants more Congressional control, but less pork-barrelling.

Notes danger of excess capacity, e.g. Santo., p. 108. But negative — nothing on how lighten pressures.

138, means of msr's value of flood control, Δ t.v.

No follow-thru. p. 53 also, applies to irrigation, too.

Task Force on Water Resources & Power

"The most important conclusion..." of Task Force is lack of coordination. "... w/o plan or control, and with no central supervision..." (except TVA). Is no "... clear-cut, unified body of Federal policy." Each agency has own policies, & w-in agencies, diff. policies for diff. kinds of development. Agencies compete, overlap, conflict, & waste. (pp. 198-9)

Objectives: (pp. 201-2)

1. a. Lessen centralization of authority in Fed. gov.
   b - strengthen local authority & participation
   c. Eliminate competition w. pvt. enterprise

2. Consistent principles be applied to determine what Fed projects wd. increase the nat. wealth.
   also, whether local interests will pay for benefits.

3. Restore Congressional control. By establishing a central admin. authority, which wd. deal w. Congress. (This might lessen Congr. control)

No comment on pvt.-local failgs that brought on Fed. partic-n:

Mopy restrictivism, preclusive underdev-mt of best sites, inter-regional non-coord-n tn, etc.

Restrictive attitudes.

Serious issues raised. Propriety of spendg public money to benefit a few – p. 30. But is issue at every unit of govt, he fails to see.

Dishearteng ~~Auspisg~~ to find reputable U. Press publishg work of such low calibre, so carelessly thrown together, so ~~so~~ relentlessly partisan.

By every objective test of scholarship, orgn, clarity of expos-n, abysmal ~~failure~~ performance. As to ~~substantive~~ ...

Veto messages of Pres.s Polk, Arthur, Cleveland, Hoover

Brims over w. righteous indignation

Fits his vocab. to his mood. Non-objective language. If he opposes expenditures they are "raids on Treas." (p. 36). etc.

Strays from topic, p. 36

Capricious choice of subject matter. ~~Omits~~ Reclamation Act 1902 sets pass, note, ~~from history~~, but lavishes pages on obscene vetoes

Falls into elementary semantic blunders. p.18, ~~its~~ conjures with word "local". Water is applied to one place, ∴ problems are "basically local", "obviously". Water may come from 1000 miles away; or maybe shd be sent 1,000 mi away.

Authors rep. & connections, rather than merits.

Lacks subtlety. No ~~attem~~ underhanded attempt to sway or deceive reader. Blunt, forthright statement of dogma by one who evidently not had much time in ~~his~~ busy life to think very deeply about either the dogma or ~~its applications~~ water problems. ½

Ambiguities, mask absurdities.

Policy recommendation, petulant nonsense, p. 22, re "Nat Def."

Almost every ~~sen~~ ¶ has its blunder, bull, untruth,

Rpt truisms ad nauseam, to support absurdities

Bluster

O tempora, o mores wail, moan, plaint

Backward turn backward O time in thy flight.

Disconcertingly erratic

1824-1955, (June 30), Fed. spent $16.3 for water res. & power proj. (p. 17)

Adm. Morelli's branch of armed services spent as much in — yr.

Pick mote from neighbor's?

Reviewer skeptical if found'g fathers as unanimous in support of M's policy as he presumes.

Major premises: Found'g fathers disapproved of Fed. power; we shd. do as F.F. wd. hv. done. From these all conclusions follow. Logical extension of this wd. seem shd. look for solutions to water problem, ~~not in field, but~~ in units of F's. This, fort-ly, BM does not do, & so a book of some relevance to its subject

Not documented. Some of data hv. a familiar look, lifted shamelessly from Paley Rep't. - - - - - - Fragmentary, obviously to prove a pt.

Pro-flexibility? Or anti-inflexibility, where that assoc. w. Fed. gov't.?

p. 17. False impression of Fed. participation grow'g postwar?

argumentation, dialectics

151 Concedes Fed. power projects are hi standard, but opposes ideology.
– re price.

No division of exposition from advocacy

Stresses that gov't omits costs to lower price. Doesn't mention how pvt. invent pad costs to Ap.

His caught on, continued w. sort of entranced horrified fascination, morbid curiosity, to learn what new monstrosity will appear.

Literally half the Ps of book might approp. be introduced by "incidentally..." or "and have you heard?"

Painful special pleading

On too hi a level of abstraction, & low a level of ~~intelligence~~ analysis, to be interesting

Thunderous as a cannonade from the full assembled fleets, but fires only blanks

Credo, ideology, developed primarily a priori

Mostly fire & brimstone, diatribe, homiletic, blunderbuss, fustian, vent

Unsupported allegations

Points to genuine problems — need for interagency coord-n.

A man hopelessly trapped in his own vocabulary. Scarcely an elementary logical fallacy he does not commit, nor propaganda device he does not use. If can label a fn as "bus. enterprise" that is proof gov't shdn't do it. p. 88. "Socialism", p. 89-90

p. 88, gov't adopts corp. methods, shows it plans to engage in "business". Wd he then keep "businessmen" & "business methods" out of govt?

Stale pvt power propaganda. No pretense of objective evaluation. Grasps at any scrap of data, even editorial opinion, that seems to support his preconceptions (p. 93)

p. 94, basic postulates

Clearly himself in grip of strong ideology, & deeply enmeshed in pol.

Imptnt bes reps non-analytical, negative obstructive force, the stronger bes springs from some good instincts

96 Scores present bureaucracy bes "difficult to communicate with"; wd. reform by add'g another bureau to "insulate .... from all political pressures," (97) Seems to make his own rules as he goes along, & bad becomes good depend's on unspoken things in back of his mind — at which is not too difficult to guess.

Restrictive attitudes. Exist's facilities often underused, central lands underdeveloped, he wd. restrict. p. 108, re Saco. To genuine problem.

— overstates case wherever possible,

— such righteous indignation over bus spend's comes w. bad grace from anyone sport's title of 'Admiral'

- p. 128: good thought

Credibility + humour of historical & stat. is destroyed by indiscrim. combo of exposition w. advocacy, largely negative, in a spirit sometimes of personal pique.

His use of figures is irresponsible, loose, lax, slipshod, baffling. Unintegrated — a smattering of misc. numbers.

$3,96 spent on power, Fed., in history. cf. $10b by M in war.

---

vs. free public xptn of all kinds, bes compete w. r.r. p. 106

Ignores that r.r. acquired rts. of way yrs ago, is now mainly grn. of maintaing & dg value of that.

---

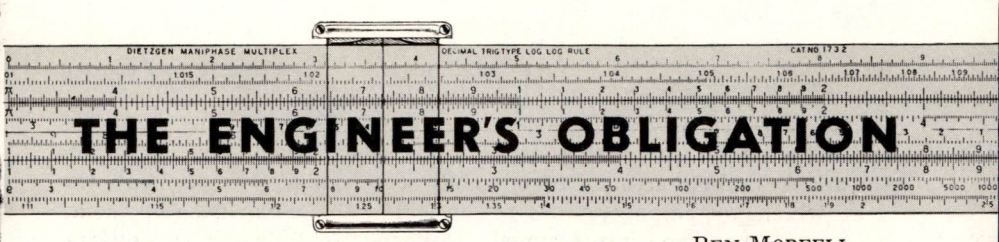
all the grace of a pirouetting hippopotamus.
the agility of a battlewagon in ~~a passen~~ harbor.

Negativn orientation Return to ec. of scarcity

Status quo ok, however based on past Fed subsidy.

"Should" do this & that — no reasons.

83, proof by scuttlebutt



THE ENGINEER'S OBLIGATION

BEN MOREELL

HAVING SPENT the last half century in the pursuit of engineering knowledge and the practice of engineering, I venture to offer some observations on the engineer's obligations to society and to his fellow man.

In these days of ambitious striving for political preferment, it is customary to bid high for the voters' favor. Candidates hold forth tempting bait in the form of promises of government "handouts" in return for votes. Any reference to the obligation of citizens to preserve and defend the Constitution of the United States, or to their duty to strengthen the basic principles embodied in our Declaration of Independence is conspicuous by its absence. And were a candidate to couple his promises of "something for nothing" with an explanation that, since government *produces* nothing, it must take from someone else that which it gives away, he would surely raise grave question as to his sanity.

This appears to be an inversion of true values. There was a time when Americans looked upon their government as their servant whose duties are or should be restrained to the primary functions of protecting the life, liberty, and honestly acquired property of every individual. As is traditional in the master-servant relationship, the people were morally bound to support the government; but, in turn, the government was subject to the people's commands.

Today, as we listen to eager aspirants for public office, we must conclude that this old concept has changed. It appears that many of our people now believe that the *government* is obligated to *support them* and, at the same time, that it should have authority to tell them how to conduct their personal economic and social lives.

Does this state of affairs have special significance for engineers? I believe so. No other profession has profited more from the work of those who have gone before than have engineers. Starting with the invention of the wheel and proceeding through the long ages which culminate in our present era

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Admiral Moreell, Chairman of the Board of Jones and Laughlin Steel Corporation, was wartime Chief of the Bureau of Yards and Docks and Chief of Civil Engineers of the Navy.

of jet propelled aircraft, the record of material progress constitutes a revealing account of the debt which we engineers owe to our intellectual and professional forebears.

It is an established fact that the most productive periods of history were those when men had the greatest measure of individual freedom. During those periods they had not only opportunity for personal development, but also incentive for production, since they were permitted to retain a reasonable share of the fruits of their labor without fear of confiscation by private or public agencies or officials.

The Climate of Freedom

Since engineers are concerned with harnessing the forces of nature to serve the needs of man, it follows that they have a duty to foster the establishment of conditions conducive to this result, i.e., conditions which guarantee that man's God-given rights to life, liberty, and the products of his honest labor are not impaired. This can be accomplished only if engineers participate in the processes of government, vigorously and in important degree.

Today the greatest threats to personal liberties arise, not from aggressions by foreign governments, but from encroachments by governments upon the rights of their own citizens. If, overnight, all governments throughout the world were compelled by some supernatural power to confine their activities solely to the protection of the lives, liberties, and honestly acquired property of *their own citizens,* the world would be transformed. We would enter upon a period of unbelievable productivity and prosperity. Even more important, all international tensions would disappear. It is only when governments coerce their citizens into supporting their ambitious schemes on the international scene that conflicts arise and wars ensue.

In general, engineers are prone to be more concerned with the discovery of facts than with the discovery of the meanings of those facts as they apply to the development of mankind. My plea today is that we engineers, who are so heavily indebted to our intellectual forebears, resolve to discharge that debt by contributing to the advancement of knowledge and the establishment of the climate which permits such advancement, the climate of *individual freedom.*

For from freedom, we can derive peace. And with freedom and peace we can go forward to achieve life's richest spiritual and material blessings for all people, everywhere. • • •

Internal contradictions

Deplores inalienability of water claims. But opposes groups trying to do something about it.

p. 114, 104 ~~Waterways are cheap~~, then dear

p. 24 Fed. spending is enormous, then minute.

p. 117, benefits of shipping are just a few large corps., hence not widely distributed

125 wants low power rates, to stop subsidy of irrig-n?
Mainly this just shows his negative emphasis. He wd. scuttle whole program probably.

141, Won't ally w. land treatment critics of big dams

59 BB coordinates, Congress undues. Pretty critical of Congress here & there. 16 Congs. committees have a hand

65. Criticizes overlapping. Yet opposes valley authorities

15. Fed. policy shd be consistent. Local, not. p. 18

87 Criticizes valley authority bec not responsive to pol. pressure. 95. Wants max. control by benefits, but no politics

p. 90 Not concerned w. labels – but is. p. 42 too.
Opposes 'ideology'

78 ff. w/o his dogma, cannot reach decision.

97. Wants a top coord. body whose responsibility is to 'decentralize control' to local units, & insulate ~~them~~ from pol. pressures. Pure double talk. A choice quote.

Internal contradictions, p. 2

Wd. risk pol. suicide in govt. But not to take away committed water. Takes that inevitability as given. Throughout.

Comp-n among Fed bureaus is bad bcs leads to duplication, overlapping, waste; non-uniformity Comp-n among localities is good, bcs of non-uniformity.

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p. 49 Criticizes Fed for subsidizing local ints, & not paying local taxes. Consistent pro hi power rates.

as concerns public projects, "the term 'national defense' should be given a limited meaning, primarily military ---" (p. 22); it is an "old, shabby, shopworn cliché, used ad nauseam by advocates of profligate govt spending." (158)

It is wrong to plead national defense, [power shortage ~~or~~ under dev. of resources, or urgency,] in support of Federally financed projects. But rapid tax write-offs to pvt. ~~utilities~~ power co.s are desirable ~~necessary for nat. defense~~, [etc.], to "provide a sufficient margin of capacity to meet wartime production goals...". (171)

~~Cried to act.~~ Cheap ~~Subsidized~~ public power is ~~an~~ a negligible element in ~~no appreciable value to~~ imperceptible benefit to customers, (p. 157) ~~inconsequential benefit to its buyers~~, but subsidized pvt. power is "one of the vital resources of the country, for which there is no substitute." (p. 171)

Or. Public projects, ~~should charge interest~~ "no matter how well they are hidden or camouflaged, interest charges are real costs that have to be paid by someone." (125) But regarding rapid tax write-offs to pvt. co.s, "there is no question of real subsidy... Likewise, there is no question of loss of revenue to the govt..." (173).

Fed. non-coord., 199; local indep. fine, p. ____?

CC, 151

Cheaper public power is ~~of negligible benefit to its users~~ a/ negligible benefit to its users, (151), unlikely to attract new industry, ~~a negligible element~~ in the total costs of its customers (p. 151),

~~but~~

~~too small a part of total costs to affect the~~ relocate ~~decision~~

but . .

Trapped in his own vocabulary, Moreell contradicts himself often. He is "not particularly concerned with what name is given to an operation," (90), but finds it "interesting to observe that public power has always stood at the front of the demands of the Socialist Party of America," and distressing "that the large measure of Socialism we now have in this country is not labeled Socialism; . ." ~~As/concerns In support of public projects, "national defense Concerning public power,~~ We should "view with cold suspicion that old, shabby, shopworn cliché, used ad nauseam by advocates of profligate government spending, that such socialistic projects are essential 'for the national defense;'" ~~But~~ rapid tax write-offs for private power companies, on the other hand, are desirable to help "provide a sufficient margin of capacity to meet wartime production goals . . ." (171). On public projects, "no matter how well they are hidden or camouflaged, interest charges are real costs that have to be paid by someone." (125) As to the rapid tax write-offs, ". . .there is no question of real subsidy . . . Likewise, there is no question of loss to the government . . ." (173) Cheap public power is of negligible benefit to consumers and unlikely to attract new industry (157); private power is "one of the vital resources of the country, for which there is no substitute." (171). We should insulate Federal decision makers from the miasma ~~unwholesome influence~~ of "politics", but render them more amenable to "local interests" and "Congressional control." Decisions to build dams must never have a "political" or "ideological" basis. ~~motive~~; decisions not to build dams, on the other hand, may have almost any basis, ~~motive,~~ including reverence for "the political philosophy of the Founding Fathers," (193) ~~and deference to~~ the Declaration of Independence, and fear of "moral deterioration", ~~and~~ and the Socialist Party platform of 1901.

Moreell, Ben. OUR NATION'S WATER RESOURCES -- POLICIES AND POLITICS.
Lectures given at the University of Chicago, April and May 1956.
Published 1956 by The Law School, The University of Chicago.

Reviewed by Mason Gaffney

The reviewer has sifted this work for redeeming qualities in vain. Its scholarship, undocumented and partisan, is not credible. As exposition it is chaotic, as art, dull, as counsel, unbalanced, and as logic, circular. Moreell's conclusions are his premises, buttressed only by repeated affirmation. In lieu of analysis he offers labels, pitting the Founding Fathers, God, and sound business principles against ideology, Socialism, and raids on the treasury. He emerges from this semantic comedy just where he enters. So, no doubt, will most of his readers.

Lost in his enigmatic vocabulary the author seems to contradict himself continually. For example he would insulate Federal decision-makers from "politics", but render them more amenable to "local interests" and "Congressional control." On public projects, "no matter how well they are hidden or camouflaged, interest charges are real costs that have to be paid by someone" (125), whereas rapid tax write-offs for private utilities involve "no question of real subsidy . . . Likewise, there is no question of loss to the government . . ." (173). Decisions to build dams must never have a "political" or "ideological" basis; decisions not to build dams, on the other hand, may have almost any basis, including "the political philosophy of the Founding Fathers," the Declaration of Independence, and fear of the Socialist platform of 1901. And so on.

Moreell is thoroughly consistent, however, in opposing public and especially Federal enterprise, not only power and reclamation, but flood control, waterways, airways, and highways. His aim is to stop waste of public funds on projects whose costs exceed their benefits. The reviewer

applauds, but would suggest it is also wasteful not to develop projects whose benefits exceed their costs. Moreell believes that "If development projects are economically justified, financially feasible, and desirable, ways and means will be found to provide for their accomplishment without Federal control and financing." (216) He never meets the interesting arguments to the contrary, such as that regulatory commissions cannot force unenterprising monopolists to take positive action; that basic public works should lead, not lag demand; that jealous State and local governments will not often act in harmony; and that private developers could not easily collect for non-salable and indirect benefits.

Where he could not liquidate public enterprise, he would have it charge users "at least" the full costs, including some phantom interest and taxes, with very limited allocation of costs to anticipated future users. "Subsidy" is anathema. Again, he fails to meet the marginal-cost pricer's argument that subsidies to decreasing cost enterprises may create benefits greater than the subsidies.

He drops strong hints of chafing to go farther and charge the users of salable services "at least" as much above average costs as may be necessary not to undersell a private competitor (206, 209). While his language is equivocal, this might mean that he would not let shipments through the St. Lawrence Seaway, however underutilized, at rates below the New York Central's. He rightly assails governments which treat scarce resources as though they were abundant. This would be treating abundant resources as though they were scarce, depriving the community of their full benefit.

If necessary drop this TP or the next.

If necessary, drop this ¶ or the preceding

Moreell argues, too, that development may irretrievably commit scarce waters to uneconomic uses. He points to a real problem, but shows no interest in any solution but indefinite delay. If we must choose, some benefit would seem preferable to none.

The art of balancing benefits and costs on water resource projects is an underdeveloped one, posing many intricate challenges to economists. The problems may yield to patient analysis, but not to empty fulmination.