It is a particular pleasure to be back in Pocatello. Your Institute of Government here at ISU has achieved an enviable reputation, and I am proud to have a part in it this year.

I have just returned from an "institute of government" of a special kind. For eight days I have been immersed in the government of the Trust Territory of the Pacific Islands, at its headquarters on Saipan, Mariana Islands. Among the responsibilities given by the President to the Secretary of the Interior are those relating to the Security Council Trusteeship Agreement for the government and welfare of the 80,000 or so people who occupy a hundred or so inhabited islands spread over three million square miles of the Western Pacific Ocean, an area about the size of the lower 48 states. These people speak nine distinct languages; their islands are in various stages of economic and social development; 95% of their cash income is from government programs.

At Saipan our "institute" was for keeps. The Interior-supervised High Commissioner has executive, legislative, and judicial power; the territory-wide Council of Micronesia is presently advisory in nature, but in my opening address to their fourth session I told them -- well, let me read a couple of the paragraphs:

"It is an important concept of the American system of government that programs -- political as well as social and economic programs -- have the interest and involvement of the people affected. In this case you speak and act for the Micronesian people.

"There has been much of which we can take pride, in the political progress of Micronesia. As an illustration, let me speak of the establishment of a territorial legislature. Several years ago, the United States promised the Trusteeship Council that we would try to establish a territory-wide legislature by 1965. In this Council, you studied the problems in October, 1962, and in March of this year.

"The High Commissioner, with the approval of the Secretary of the Interior, can order the legislature created, but as you are well aware, he and the Secretary want your consideration and advice."

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"The decision to give legislative powers to a territory-wide legislature is with the United States; the decision to use those powers wisely is with you."
Besides the basic political questions of granting legislative powers to the people, we are concerned also with seeing that the people have educational opportunities and medical services, roads and utility systems, and with the strengthening of their economy. We are concerned with the improvement of communications, and with cooperation with multilateral agencies such as the South Pacific Commission.

You can see why I come to your conference enthusiastic for its subject matter, and eager to discuss it. All of us are products of a political and social background which we largely take for granted. Explaining our system in such a way that it persuades is not simple. It must constantly be borne in mind, for example, that during the lifetimes of many of the Micronesian people they have experienced the divergent political systems of a number of metropolitan powers -- Spain to the turn of the century, Germany to World War I, Japan to World War II, and first Navy and then Interior Department United States since World War II. One has the impression that his truisms and cliches, the shorthand expressions we use about our American system, are being subjected to scrutiny of an informed sort. This is my theme for today -- that we owe it to ourselves as students and practitioners of government not to rely on the generalization, the cliche, or the slogan. We must be willing to examine, and able to demonstrate, even the most hallowed of our political truisms.

Mr. Higley, in his letter to me, said that the main theme expected by my keynote was the working toward more responsible, local, municipal, state and regional governmental relations, revolving around the idea of limiting central government by means of more effective local government.

This is unexceptionable insofar as improving the workings of every level of government is concerned. It may be entirely appropriate as to the desirability of "limiting central government." But if it is demonstrable, then it ought to be appropriate to examine some specific programs of Interior, the Department I know best, to see whether they ought to be included in the delimiting process.

The Interior Department has eleven Bureau of Reclamation projects within or partly within our State, whose operation and maintenance require $2½ million. Three quarters of a million dollars a year goes to the planning work on 13 other potential water resource developments.

Reclamation is the keystone of Idaho's economy, and a million and half acres of irrigated farm land in Idaho is provided full or supplemental water supply by or through facilities built or rehabilitated by the Bureau of Reclamation. One project alone, Minidoka, has produced 2.4 billion dollars in crops.

Interior's Fish and Wildlife Service operates a national fish hatchery, cooperative research units at your sister institution to the North. Interior's Bureau of mines, Office of Mineral Exploration, and Geological Survey assist our important mining industry. Geological Survey has a $1.7 million dollar budget in Idaho, and frankly from all the evidence we get most people who are informed about the mapping and other work it is doing would like it expanded, not limited.
The BLM manages 12 million acres of public domain in Idaho, leasing minerals, processing mineral patent applications, selling timber, selling land, administering grazing. The Bureau of Indian Affairs has trust responsibility for 832,000 acres of land, with annual programs in Idaho of over $2 million. At Craters of the Moon, our only unit of the National Park System, 153,000 visitors were logged in fiscal 1963. The Bureau of Outdoor Recreation is being asked by many states to assist in their programs to develop the recreational potentials, now universally regarded as of economic importance equal to many of the basic industries.

These are only a few of the resource management highlights. Such an array of activities of the central government challenges the thesis of the day from both sides -- in total it is substantial, yet each component seems to meet basic tests of efficacy.

What are these tests? I've tried to set forth a few:

-- Is the program conceived to meet an identified need?

-- Is it compatible with local sentiment, the resultant of a local consensus?

-- Does it contribute to, or detract from, the basic private enterprise concepts of our system?

-- Are local and regional, and interest group considerations brought into the decision-making and policy formulating aspects of their management?

-- Are the returns re-invested locally?

-- Is there a sharing of the costs of local services utilized?

Now obviously in our pluralistic system no governmental program is going to be the very model on every point. But I think a dispassionate analysis will give many government programs high marks, and perhaps dispel a little of the fog about federal programs.

Most of the reclamation and land management aspects of our mission are accepted as meeting an identified need -- for the very good reason that they have to be to get authorized at all. The Congress remains a representative body, and individual members remain responsive to the local consensus.

In Idaho, the principal political argument on Burns Creeks is not the desirability of having it, but who can do the most to get it. In a Southwest State, a certain Senator is fighting hard for a billion-dollar federal investment, although across the country he would sell the TVA. Did you notice how even the local members of his party in the TVA area ran for cover on that one?

As to contributing to the private sector of the economy, this is a favorite subject of mine. The Congress has provided that the basic industries of our region should be permitted to operate and be sustained by the resources of the public lands. Four-fifths of America's merchantable coniferous timber is
in the West, three-fifths of it in public ownership. How this great resource is managed, both the public and the private segment, is a living memorial to a federal forester. Gifford Pinchot's philosophy of sustained yield and multiple use is now universally accepted. The West will continue to have a lumber industry, while the Lake States of the midwest -- which were also public land states -- lost theirs.

Western lands produce almost every one of our minerals, including coal, copper, phosphates, uranium and petroleum, trillions of cubic feet of natural gas and all of our helium -- much of this is on public lands open for private industry to extract and market under the mining laws or under leases. Gold, silver and lead and zinc are long time leaders in mineral statistics. Just in the eight mountain states, the mineral industry employs 85,000 men, with a payroll of almost half a billion dollars.

The resources of the federal lands are not locked up. They do not compete with, but rather sustain, the private sector of the economy.

The national Reclamation program as applied on the Snake River is a fine example of active participation of individuals, groups, local bodies, municipal corporations, the state and the federal government all working together. Local districts are managed by the individuals concerned. Using a grant of federal land, Carey Act canals are operated through state-authorized water users organizations. The more complex Reclamation projects are operated to the greatest extent possible by the water users organized through a municipal corporation known as an irrigation district. The federal government retains only the operation of the portion of the projects that have multipurpose aspects. Water distribution from the river is the responsibility of the state acting through a watermaster elected by the water users. Here on the Upper Snake, this complex operation is overseen by an informal representative water users' group known as the Committee of Nine. Thus, all levels of Government and citizenry participate actively in all aspects of the program.

The Bureau of Land Management's stewardship of grazing on eleven million acres of federal lands in Idaho offers another illustration. Each of the five districts has an advisory board of stockmen and wildlife representatives. The stockmen through elections by the district livestock operators are recommended to the Secretary of the Interior for appointment. Only after obtaining the advice of the board does the district manager make his decisions on issuing grazing permits, range improvement plans, grazing regulations, boundary changes, seasons, etc.

It is perhaps inevitable that some conflict should exist between the Federal Government and the users of the range -- that seems to be traditional. But there is striking evidence of recent cooperation and mutual understanding. Early this year there was a substantial increase planned for fees for grazing on public lands. We were prepared for a bitter reaction which didn't come. The advisory board of this industry and the government people had threshed this out over many months, and that although the users didn't like the increase they recognized that it was necessary.
Now the livestock industry and the federal range managers are giving more and more attention to a cooperative effort toward rehabilitation of the range, and less attention to the acrimonious question of how it came to need rehabilitation. Conservation must be a cooperative effort, for the task to be done cannot be accomplished by either side alone.

In addition to providing the raw materials for the economy of the West and jobs for its people, the Federally owned public lands have made a direct dollars and cents contribution to those communities. Our part of this cooperation has included acceleration of our programs, for vital soil and moisture and range rehabilitation work, as the President promised in his first conservation message to Congress in 1961. Over the total history of Federal stewardship, these public lands have produced revenues in excess of $3.1 billion -- from the sale of the lands themselves and the mineral, timber and other resources they produce. Nearly two-thirds of this income has been realized in the past fifteen years.

Nearly one half of these revenues -- about $1.5 billion -- has been returned to the public land states. Over $680 million has been remitted to the states and counties for their own use to supplement tax revenues -- to build schools and roads and to provide other public services. Almost $800 million was deposited in the Reclamation Fund and used for projects exclusively benefiting Western States in the form of irrigation and hydro-electric power projects. Thus, the western community has shared as a full partner in the reinvestment of public land income.

But the direct payments are not the most significant aspect. Of much more importance is the fact that the lands are available for many uses, both public and private. The public uses like watershed protection, recreation, flood control, and wildlife habitat do not preclude the private uses like livestock grazing, timber harvest, mining and mineral leasing. These are the backbone of the economy of the West.

Outdoor recreation also has become a big industry dependent in large part on federal land and federal water. Recreation is a twelve-billion dollar industry. The in-put to a local economy of recreation use of water is as much as five times as great as that for irrigation. This is not to minimize irrigation, but to emphasize that the great richness of this region in the recreation resource is also an economic boon to the area which supports local business, local jobs, the whole local and regional economy.

I want to make a final specific point. I have outlined the revenue returns enjoyed by the States from federal stewardship -- percentages of forest receipts, of oil and other mineral royalties -- and the indirect support to the private sector. Still I hear the cry, over and over, that there is a loss of tax base.

To paraphrase a well-known aphorism usually reserved for politicians and generals, economics is too important to the general welfare to be fenced in as the private domain of professional economists. Somehow, before it is too late and the States lose some of the unappreciated benefits of federal ownership, the economic impact of this continued federal stewardship must be comprehended.
Do the assessors of the public land counties recognize, for example, how much the value of the base ranch is increased by the Taylor Grazing privileges associated with it, and that all of this is on the tax rolls? Are the people of the public land states aware that the federal share of allocations for highway construction on the federal-aid primary and interstate systems is increased by the percentage of public domain lands in their states?

Under the formula set forth in the Federal Aid Highway Act, the 12 million acres of public domain land in Idaho will result in an increase of the Federal share in 1964 of $2.17 million. To put it another way, as compared with a non-public land state having a similar highway program, Idaho taxpayers will be relieved of a $2.17 million burden which will be assumed by the Federal treasury instead. Now if we assume an average real estate tax rate of 3.5 mills on 50 percent of true value, this Federal supplement capitalizes back to give the 12 million acres of public domain a revenue value for road purposes alone of $124,000,000. This is as if every Federal acre were on your tax rolls at $10 per acre -- and at no cost of assessment and collection.

The Federal system of government is one of the products of our American political genius. This system contemplates and expects that each of the several levels of government will play its proper role in meeting the demands of an increasingly complex social and technological environment. The obligation of staying close to the people falls alike on each level of the system. Centralized government need not be cold, remote and authoritarian. As demonstrated by several Interior program examples, it is neither remote nor divorced from local preferences and participation.

With specific reference to Federal action, popular demand and local consensus create the motivation. Congress has never yet forced a flood control project, or a national park or a major irrigation and power facility upon a protesting State.

Finally, Federal management of vast natural resources provides a major asset to the private economy and revenues to the public coffers of the states and localities. Income from the Federal estate is reinvested in the future of the West -- in water projects and improved forage and sustained yield timber stands. The Federal estate pays its way in special highway contributions and assistance in providing service to Indian citizens. Anti-federalism has had its hey-day in the West; it will not pass intellectual muster under the kind of scrutiny which you ought to be devoting to it in this Institute.