REMARKS OF ASSISTANT SECRETARY OF THE INTERIOR JOHN A. CARVER, JR., AT THE
INSTITUTE ON FEDERAL-STATE OPERATIONS AND RELATIONS, U. S. CIVIL SERVICE
COMMISSION, WASHINGTON, D. C. - APRIL 14, 1964

In preparation for my appearance here today, I looked over the roster
of participants to see (where I could from your titles and organizations)
how much variety this group collectively presented in official relations-
ships with States -- and it was considerable. But if there is a pattern
to it, it escaped me.

Then I ran through my own experiences in the Interior Department to
see whether any pattern emerged; it didn’t.

The Office of Territories is in my family of bureaus. Here in a
sense we see matters from the "State" standpoint; three of our Governors
are members of the National Governors conference. The Constitutional
division of responsibilities specified in the Tenth Amendment tends to
apply even as between the federal government and its territories, as disclosed
by the kinds of powers given their legislatures in organic acts for Guam and
the Virgin Islands.
The vital rail-link and economic lifeline of the whole State of Alaska presents another kind of specialized responsibility to the Interior Department in Federal-State and Federal-local relationships. Rates, routes, and service decisions which become federal decisions because the Alaska Railroad is federal have far-reaching impact on communities and businesses.

The Bureau of Indian Affairs operates schools, welfare programs, extension services, law and order programs, community development, and road-building programs, all of which are directly associated with the amount and cost of parallel programs of the States in which they are carried out. Federal-State relationships take us into State legislatures as well as the halls of the national Congress.

But these are programs. To them could be added many others of a more or less orthodox nature, spanning the entire range of the Department's activities from wildlife restoration and oyster propagation, through geological surveys and water resource investigations, to technical assistance in outdoor recreation and vast irrigation projects.
The central feature of Federal-State relationships I want to
discuss, however, is not so much program but history -- the problems
incident to the continued ownership and management of the public lands.

In a State like Nevada, where 85% of the land area is Federal, and
the vast majority of that is under the Interior Department's jurisdiction,
or a State like Alaska, where the comparable figure is 98%, the Federal
Government takes its place in the local picture as a landlord.

In the Western states, exclusive of Alaska, the federal proprietor-
ship extends to about 50% of the land.

We are the legatees of almost two centuries of really fundamental
controversy between the States and the Federal Government. Questions of
natural resource distribution have been at the root of Federal-State
relationships since before the Constitution was adopted. The ceding of
land to the central government made the union possible. One of the key
issues in the Jefferson-Hamilton contention over the nature of the
federal system was the program for disposition of public lands. Grants
of federal (public domain) lands were an integral part of the admission
of all western states. Resources in federal ownership have been the
incentive device for western development, both public, common schools, universities, the Reclamation Fund, and revenue sharing, and private, in the grants for railroads and wagon roads.

The sensitivity of Federal-State relations has seen a great reclamation program, and the continuing program for desert land development, built on State water laws. Federal programs have assisted in fish and wildlife protection and propagation, while the ownership of the games remains in the States.

These seeming anomalies demonstrate the evolving character and the genius of American federalism in its capacity to cope with changing social and economic needs. Our resourcefulness and the elasticity of our constitutional system is perhaps best shown by the measures taken to conserve oil and gas resources. Absent any extraordinary devices, this is strictly a State matter. Yet when this proved inadequate a quarter-century ago, and when direct Federal action met constitutional objections, the interstate compact device was used to bring order out of chaos. This has now been extended to the control and development of interstate river basins.
Working in this field is rewarding and challenging, not least because of the tremendous public interest. People feel deeply about parks, about Indian welfare, about the management of their lands, minerals and forests, about grazing on the public domain, related wildlife ecology, and wilderness preservation.

Formal programs do not begin or end the public debate. To channel some of this debate away from the sterility of anti-federalism, and into the constructiveness of mutually advantageous cooperation, has been an identified challenge to me ever since joining the Department.

The simple concept that the Federal Government as landowner ought to be a good neighbor would seem to present no difficulties philosophically. Federal lands tend to be intermingled and checkerboarded. Their management tends to be divided among a multiplicity of separate program bureaus -- from sport fisheries to parks, from grazing administration to military; from forest to flood control. Secretary Udall, about a year ago, announced a far-reaching program of cooperation with the national system of locally
chartered, and autonomous Soil Conservation Districts. Within the boundaries of these districts is found land in many types of federal ownership. It is now policy to cooperate, at the field level, in the application of soil conservation and treatment measures, for the federal land with the local proprietors.

On a different level, the Secretary contributed to public understanding of the nature of the relationships between federal and state and local governments, in a definitive lecture at Albuquerque to the University of New Mexico a couple of months ago, entitled "The West and its Public Lands: Aid or Obstacle to Progress?" I commend that lecture to you as supplemental reading.

Let me tempt you with a couple of paragraphs:

"The current crop of anti-federalists begin any discussion of resource policies in the West by assign Federal stewardship of the public estate: one hears of Federal land grabs, of a Federal "lock up" of resources, or of the insidious encroachments of the agents of big bureaucracy. Those who espouse the most extreme anti-government views were given their concompance the other day by Dr. Joe Frantz of the University of Texas at the annual meeting of the American Historical Association in these words:
'Is the tradition of a West where men stood alone against their environment, asking no help from anyone, and least of all their government -- is that tradition tenable? When that long-legged son-of-a-gun stands up in a Cattleman's Club in Cheyenne, or in a Chamber of Commerce banquet in Tucson, or at a governor's conference in Helena -- and when he issues a blast at an all-consuming federal encroachment in words more blistering than all the winds that blow from Spokane to San Antonio, is he historically sound, or has he swallowed a whole hunk of home-manufactured, self-illuminated halo without chewing it first?'

"Let us, then, discuss the real issues that touch the public lands of the West. What, for example, has this land meant to the private sector of the economy, and to the States, counties, and municipalities? What kind of Federal investments have been made, and what has been the result in terms of both local and national economies? Are local interests consulted and accommodated in carrying out resource policies? Do national parks contribute to the economies of the several States, and if so how much? Would it really be profitable for the States to have the Federal lands transferred to State ownership? These are the hard questions we should ask -- and answer -- for ourselves and for our children."

Another concept which has helped measurably in our relationships at the field level, with both the local and State officials who always cock a jaundiced eye at the amount of Federal land in their counties or States, is that the programs of the Federal Government meet certain tests of efficacy, some of which I outlined at an Institute of Government at a Western University:

" -- 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.

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."
Certain kinds of information have a kind of shock effect. For example, the President of a major western university expressed disbelief on this section of a talk I gave in California:

"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 16 million acres of public domain land in California will result in an increase of the Federal share in 1964 of $12 million. To put it another way, as compared with a non-public land state having a similar highway program, California
taxpayers will be relieved of a $12 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 16 million acres of public domain a revenue value for road purposes alone of $685,000,000. This is as if every Federal acre were on your tax rolls at $40 per acre -- and at no cost of assessment and collection. Considering that vast areas of these lands aren't worth $4 an acre, much less $40, this should make you wonder whether the states can afford to have these so-called "worthless" Federal lands transferred to the tax rolls.

"I am readily willing to concede, of course, that some of these vacant lands have a potential use value far in excess of $40 per acre -- for industrial sites and homes in close proximity to growing municipalities. But let's not confuse these highly selective areas with the general run of public domain acreage -- or generalize to the point of putting sub-division values on the entire 16 million acres in the state. My Department should not be and has no desire to be in the subdivision development business -- but that is precisely where the existing small tract law puts us. We need a better vehicle to encourage the orderly and healthy growth of your cities. Until we get it we will 'make do' by using the existing law to promote the highest and best use of the lands charged to our custody. In so doing, we will insist upon the closest possible cooperation with local
planning bodies to the end that our disposal programs do not create chaos for your schools, public services and land use controls."