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REMARKS OF UNDER SECRETARY OF THE INTERIOR JOHN A. CARVER, JR., BEFORE 39TH ALL-IDAHO CONGRESS, ANNUAL MEETING OF IDAHO STATE CHAMBER OF COMMERCE, BOISE, NOVEMBER 8, 1965

Let me first express my gratitude to Senator Jordan for the generosity of his introduction. Bracketing a Republican Senator and a Democratic officeholder on this program in this fashion dramatizes, I think, the essential spirit which pervades this meeting -- that the future of Idaho depends on our unity rather than our division, on our learning to work together rather than in our pulling apart.

The program of this day has emphasized another relationship -- that richness in material resources alone does not assure their wise development. There is needed also the human resource, including managerial talent; capital; and policies and practices on the part of both business and government which foster healthy growth and rational change. Growth and change are the characteristics of the American system, and we may be sure that this will continue to be so -- the question is what kind of growth, what kind of change?

Over the past couple of decades I have been concerned in one way or another with the resource potential of our State. It is, of course, virtually unmatched:

-- We have ample supplies of water. The average yearly flow in Idaho streams is 35 million acre-feet, enough to cover the State to a depth of nearly eight inches, and large and productive underground reservoirs add significantly to our supplies. This abundance of water, as we all know, makes a thriving agricultural economy possible.

-- We rank seventh in the Nation in developed hydroelectric power, and less than 10 percent of a total potential of 11.7 million kilowatts is currently developed.

-- We have impressive stands of timber. Idaho ranks fifth in the Nation, and its 22 million acres of forest lands hold about five percent of the Nation's total stand of sawtimber.

-- Our mines produce more silver than any other State, second in lead and zinc, and third in the mining of phosphate rock.
-- Significant fish and wildlife resources are found throughout the State. Idaho offers some of the best big game hunting in the United States, possesses a great variety of game birds, and fish of our streams are plentiful.

-- The scenic grandeur and outdoor recreational opportunities of Idaho are second to none in the Nation, attracting over four million visitors annually from out of the states.

We are thankful to be so blessed. At the same time we are fortunate that — up to now — we have in the main developed and utilized our resources well. We are even more fortunate in that our undeveloped resources far exceed those now being used. This gives the people of Idaho a unique opportunity among the States and an awesome challenge at the same time.

Tonight I want to try to express my thoughts on the methods and processes by which a State, and particularly a resource-rich mountain State, gets its fair share of the benefits of the growth of our country.

On a nation-wide scale, the responsible and conservative projections of our growth economy show that compared with 77 million in 1964, the national workforce in 1970 could total 85 million and 92 million by 1975; an average annual increase of about a million and a half a year.

The Nation's stock of capital for production will increase at 3.5 percent per annum.

Research and development, and gains in the techniques of management will increase productivity.

Our GNP in 1975 could be almost one trillion 1963 dollars.

This growth will not be smooth nor even; it will not be spread equally over the United States.

Idaho is equipped to share in it at a rate exceeding, rather than below, the national average.

Whether it does will depend on a lot of things, including perhaps, some of the things I want to discuss now.

My first suggestion has two thoughts behind it. The development of the resource and other potential of States like Idaho depends upon a sound working relationship with the Federal Government.

The first thought is that learning to work with the Federal Government faces everyone. The second thought concentrates on the fact that so much of public lands and their associated resources in the Western States is under federal stewardship.
Every segment of American enterprise, trade associations, chambers of commerce, cities, counties, as well as States and universities are giving more and more attention to this fact of modern life. For example:

-- A university in a neighboring State, under the leadership of a vigorous new president, has engaged the services of an experienced Congressional administrative assistant who knows his way around Washington, to help the new president;

-- Major manufacturing companies, eager to diversify and expand from their heavy reliance on defense contracts, actively canvass opportunities to do systems-analysis and other service-type functions for the civilian departments of government including Interior. Experienced defense contractors have turned out to be the best qualified proposers to carry on the educational and training programs of the Job Corps.

-- An association of governors in another region, one which has few public land problems, has hired a Washington representative (again from one of the Congressional committees).

-- One of our sister Western States has a full-time office and staff in Washington, as does one of the universities of the same State.

All of these, and there are dozens of other examples I could cite, evidence a comprehension of an essential fact of the modern world -- that the United States of America is a big supplier for the private sector of the economy, as in timber, oil and minerals; it is a big customer for the private economy, for virtually every kind of goods and services; it is often a competitor, as in its various electric power functions and certain transportation functions; and it is always a factor to be reckoned with, as in tax policies, anti-trust policies, etc.

Considered as a fact without controversial overtones, implications are several.

One is the major, philosophical one, applicable with special force to the resources of land and water, that it is not to the executive branch alone, but also to the Congress as the board of directors controlling the federal policies, that the States, the local communities, and the private sector must get its points of view across.

In public resource questions, Congress does not always accept full responsibility, but that the ultimate responsibility is there is critically important to the smooth functioning of our system of government.

Federal administrators who well and faithfully administer the laws and policies of the Congress are seldom faulted by the public. But the American people are basically pretty impatient with a proprietary attitude toward public resources -- one which finds the public administrator (who could be a State or county official as well as a federal official) treating the resource as if it were his own, not the people's.
Paradoxically, it is a mark of the growing maturity of our society that the proprietors in the traditional and real sense, that is the owners of the fee title to land, more and more accept a stewardship responsibility which puts a public interest aspect into business decision-making.

The enactment of the Public Land Law Review Commission legislation, and the beginning of that body's labors, are heartening evidence of a determination on the part of the Congress to accept the full measure of its responsibility for fixing policies in the public lands area.

Learning to work with the Federal Government is not a negative matter, nor a one-way street. I personally am proud of the fact that in the five years of the current administration, the working relationships between the Department and the users of the public lands have improved, and I think are still improving.

This is not to say that they are ideal -- far from it. (I doubt that there is an ideal, anyway)

There is friction and frustration to spare, and some of the pending issues are particularly sensitive, such as the standards for the administration of the desert land entry laws and the test of locatability under the mining entry laws. But these situations do not obscure the fact that the users are accorded the dignity of being considered conservationists; that much progress has been made in getting the rules and standards which control decision-making published; and that many of the doctrinaire arguments which dominated resource arguments in the past are no longer heard.

It should not be overlooked that Congress has eased the burden of the relationship between the Federal Government and other sectors of our system by providing for sharing of revenues with counties and States from the sale of leasing of surface and subsurface resources; by authorizing cooperation in both small conservation projects, like soil conservation works, and extending to flood control and other major works when cities and flood control districts bear part of the cost; and investments are made on the lands, such as the Vale Project in neighboring Oregon, and great Reclamation projects are authorized and built to strengthen the private agricultural economy.

If the first piece of advice I present is that attention must be paid to relationships with the Federal Government, the second is that Westerners might improve their methods of understanding each other.

I had the unique experience, a month ago, of participating in an exciting experience -- The Town Hall program of the Arizona Academy.

In 1962, a group of Arizonans had the idea that an organization to periodically bring together leaders from all areas and all walks of life to consider subjects bearing on the present and future well-being of Arizona, would fill a definite need.
So a nucleus of public-spirited men, reading like a Who's Who of the State, set up a formal organization with the broad purpose of creating, by research and discussion, an ever-increasing body of citizens accustomed to the processes of searching analysis and well informed on the facets of economic, cultural and social life.

Twice yearly, they sponsor Town Hall conferences, each one preceded by a thoroughly professional research job by one of the State's institutions of higher learning, to which is invited about seventy representative Arizona citizens for two intensive days of discussion.

Out of the sessions come broad recommendations for the solution of the problems under study, which are published and distributed widely. The Academy does not lobby; research, discussion, recommendations and information are its fields.

What do they talk about?

The one I attended could have been translated bodily to any Western State -- Public Land Use, Transfer and Ownership. They have dealt with the subject of "Arizona's Tax Structure -- Revenue Needs and Revenue Services." A team of the College of Business Administration of Arizona State University published a research document, which, with the recommendations of the panels and Town Hall sessions, constitute an authoritative document on the State's tax matters.

Other subjects have been "Welfare Policies and Administration", "Elementary and High School Education", "Arizona's Water Supply", and "Revision of Arizona's Constitution."

One of Arizona's newspapers summarized the most recent session:

"If there was a theme running throughout Arizona Academy's Town Hall session at Grand Canyon last week, it was that wise use, not non-use, is the best form of land conservation.

"The public lands problems of the western states are not simple, nor are they easy to understand. Probably there is no more complex field than the one which has administration of lands in the hands of numerous agencies, leasing to and doing business with various interests, with a great difference of use and philosophy involved.

"And yet, in spite of these differences, it is amazing to learn to what degree the landlord and the tenant have learned to co-exist and work together on the federal and state lands in Arizona.

"The livestock industry lives in harmony with the State Land Department and the Bureau of Land Management; the timber industry with the Forest Service, and game interests with the cattle interests, and so on."
"With a very high percentage of lands in the public domain, it is assumed by many state residents that there should be a cry to get these lands into the private sector where they could be taxed.

"But such is not the case in most instances.

"Most of the users want only to pay fees and enjoy tenure on the land; they do not want complete ownership. They feel that the stewardship of the federal and state governments is good and works in the common interests. For example, if the forest lands were put into the private sector, who then would assume the responsibility of fighting fires, eradicating disease and planning for tree crop growth 125 years in the future? It is obvious that the private interests would be unable to cope with such demands.

"Out of the Town Hall sessions came a suggestion that a Natural Resources Commission or department be established for the State of Arizona. One director, commission, could speak for all natural resources and conservation, if this department was established. It will not be easy to enact such legislation because each department will fight to protect what it considers to be rightfully its own interests.

"But it will come to pass because it is needed and is worthwhile.

"This recommendation, and this study of public lands, have once again given Arizona a demonstration of the true merit of the Arizona Academy’s Town Hall sessions. Mr. Lawrence Mehren, president of the Academy, is performing a community service that will bear fruit for decades to come as Arizona matures and advances politically, socially, and culturally using the Town Halls as one of its principal forums."

Of course there are other ways than the Town Hall approach, in Arizona and in other States as well. One which I would like to mention comes from another experience which I have had -- the harnessing of the facilities and skills of a State's publicly supported institutions of learning to the task of bringing the people of a State together to consider their own problems. For example, the University of California conducted a series of conferences to explore and assess the great challenges, as well as the opportunities and responsibilities, implicit in the growth of that State. Seven conferences were held around the State, and their topics are an outline of the factors which attract and hold business, education, and industry to a State:

-- Excellence in education

-- The cultural arts

-- Food for man in the future
The first topic -- Excellence in Education -- leads naturally to my third point. Admiral Rickover a few days ago said well a fact of our age: "Change is now part of life in all industrially advanced countries -- continuous, rapid, all-pervading change. The ultimate cause of this unsettling situation is the explosion of science: factual knowledge doubles every decade or so. Its direct cause is the technological revolution: new knowledge is put to practical use about as rapidly as knowledge itself expands."

Admiral Rickover's excellent speech does not make the point but I think it a valid one nonetheless: that excellence of its educational system is as important a factor in how a State grows and develops as is the quantity or the quality of its natural resources.

Excellence in education like excellence in most things, has its price. But like investments in other resources, if the idea is sound and the management is efficient, the investment will repay itself.

If you accept as valid the proposition that businesses looking for new sites ask about the quality of the educational system, as well as about the housing, water, land, raw materials, transportation, and all the rest, you will perceive that in part the process is subjective. Some of the questions relate to the well being of the questioner as an individual and the company's employees generally, as would-be citizens.

In this latter category of questions lies the key to another important point. If a State is to succeed, it must be an attractive place to work not only for the company as a company, but for its managers and employees as people. The most important influences which affect a decision-maker is the impact of the tax structure of a State on him.

There are headquarters offices for great American companies in every Western State, including this one. Whether any given State is or isn't attractive as a place for its executives is a matter worth considering.

Financial and service industries and recreation hold great promise for the Mountain West. It has much to offer to them, as well as to the resource-dependent cattle, agriculture, timber and minerals businesses which have long been the mainstay. A sound diversification is a good idea, because in the long run there can be no division between urban and industrial prosperity on the one hand, and rural and raw
material prosperity on the other.

At the outset of my remarks, I said that managerial talent was an element along with resources and capital for successful development. I have been particularly impressed in the course of my dealings with States, with the wide disparity that exists among them in the quality of managerial skill which they attract to their resource management problems and their managerial problems generally.

I know of one instance, in a neighboring State, where the imaginative, and seemingly experienced, use of computer techniques to inventory State resources turned up values in one single forty-acre tract the State hadn't realized it owned which more than paid for the whole survey.

There is a national shortage of competent managerial skill. States and private companies raid the Federal Government for talent to operate their land holdings, which, extensive as they are, seldom are as extensive as the Federal Government's. To do this, they pay accordingly.

Good management of resources doesn't cost; it pays. The States which manage best their own lands seem to have the least difficulties with either the federal or private sector neighbors.

Public officials at any level, federal, State or municipal, who administer programs which involve a close interaction of the public and the private sector of our system have the same duty to comprehend the basic nature of the private sector, as that which I have urged upon you to understand the workings of government.

Government people should comprehend the problems of the businessman, if it is expected that business people are to comprehend the government man. Such a comprehension is really necessary if the people's interests are to be properly served. Programs have been started to help with this understanding. Brookings Institution, for example, brings executives from the businesses of America into Washington for two-week or six-month programs on how the Federal Government works. A similar program takes government executives into the offices of presidents, comptrollers, general managers and boards of directors of America's businesses.

President Johnson has his own private program, and some of you, I know, have come into Washington to dine with the President and to avail yourselves of the opportunity of this two-way educational process.

It is time, I think, to attempt a summary. I've tried to suggest, from my own experiences with the question, that cooperation, mutual understanding, upgrading of the quality of some of our services, and hard thinking about the government and business climate of a State are key elements in its success. I hope I've also conveyed strongly my own philosophy that our system of representative government, and our system of free enterprise, which have worked this long can continue to do the job for us; and that it is important that there be strong and efficient local, county, and State government, and better techniques for communication with the people generally.