

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
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FOR RELEASE

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at 12 o'clock noon (P.S.T.)

Address of Robert E. Merriam,
Assistant Director, Bureau of the Budget,
before the
Inland Empire Waterways Association
Yakima, Washington

PARTNERSHIP IN WATER RESOURCES DEVELOPMENT

Mr. Chairman and Members of the Inland Empire Waterways Association:

I am indeed honored to speak before this 23rd Annual Convention of the Inland Empire Waterways Association. It is a particular pleasure to meet you face to face, and tell you in person of our high regard for your organization and its leaders who periodically have conferred with us in Washington on the pressing needs of this great section of the country. Of the many delegations who come to Washington to discuss water resource development with us, yours always ranks at the top in clarity and forcefulness of presentation.

I am here as a representative of the Federal Government. But I also speak as a citizen whose roots are deep in State and local affairs. I believe strongly that the tough and strong fiber of State and local initiative has been one of the most important ingredients of a healthy nation. The Founding Fathers invented a truly great system of coordinate governmental authority which has stood the severe test of time and adversity. Today, as a result, we stand as the bulwark of freedom and individual initiative, in the midst of a troubled and uncertain world.

is undertaken: first at the authorization stage and again at the time the project is proposed for inclusion in the President's annual budget. The development of budgetary recommendations starts long before the time of budget submissions. The first step comes in the development of authorizing legislation.

A Presidential Executive Order spells out in some detail the procedures for submitting public works project proposals for authorization by the Congress or for inclusion in the annual budget. Under this order, agencies of the executive branch which are authorized to plan, undertake or aid in public works and improvement projects, prepare and keep up-to-date schedules projecting such programs for several years in the future. These "advance programs" are submitted to the Bureau of the Budget annually. Before flood control, river and harbor, or irrigation projects are recommended for authorization to the Congress, a project report is prepared by the agency and reviewed by the Bureau. The Bureau of the Budget coordinates agency views, and advises the agency as to the relationship of the proposed legislation to the President's program. When such a report is thereafter submitted to the Congress, it will include a statement on the advice received from the Bureau.

When we review appropriation requests for water resources projects for any particular budget year, we must take a number of factors into consideration. After all, the budget is the administration's recommendation for a comprehensive plan of action to meet our national objectives for that year. Budget recommendations must represent a balance with respect to relative urgency in meeting all these national

This Advisory Committee in its report of December 1955, recommended, among other things, that water resources committees be established at the regional or river basin level to facilitate proper participation by all agencies and groups in water resources development. These regional committees would include representatives from Federal agencies having water resources responsibilities, and representatives from the States in the region. Each committee would prepare and then keep up-to-date a comprehensive plan to best serve the region and the Nation.

The Administration strongly supports the river basin approach to water resources development. When President Eisenhower signed the Upper Colorado River measure into law, he said:

"This bill represents what I believe in--treating a whole river valley as a unit, as a whole thing. It goes from top to bottom. It recognizes one thing that is also true--that water is getting to be our most valuable resource."

Specific legislative proposals to implement organizational recommendations of the Advisory Committee will be transmitted to the Congress early in its next session.

You are well aware of the fact that informal arrangements similar to the formal River Basin Committee proposals already are in existence in the Pacific Northwest. The objective of course, is the comprehensive development of the Columbia River System for flood control, navigation, power and irrigation, as well as for fish and wildlife conservation and recreation. To assure that such development would be carried on most efficiently and economically, plans were initiated for a thorough review of the entire development. The Corps of Engineers as you know, is taking the lead in such a review of the "308 report" on the Columbia River and tributaries and other reports--

.... Since 1908 the Bureau of Reclamation has been making partnership arrangements with local water-users organizations or power companies for provision of power facilities connected with its reclamation projects. In fact, this general plan was used on your Yakima Project in 1916 -- and the project now is an outstanding example of a successful partnership. Your water users organization has completely repaid the Federal investment on two divisions of the project and is now operating a major part of the entire project.

.... In 1917 a unique partnership agreement was worked out between the Bureau of Reclamation and the California-Oregon Power Company on the Link River near Upper Klamath Lake.

.... The greatest water resource project now in process, the St. Lawrence River development, is proceeding under the combined efforts of the Federal Government, Canada, the State of New York and the Province of Ontario, not to mention the many locally-sponsored works of improvement around the Great Lakes.

.... Three projects which had previously been authorized for Federal construction have gone forward under this administration with local initiative. These partnership developments will provide 1,525,000 kilowatts of power, at a total non-Federal power development cost of nearly \$500 million, thus allowing an equivalent amount of Federal money to be spent elsewhere.

.... Two of these three partnership projects were strongly backed by Democrats; the Coosa River development in Alabama (in

.... Our best current estimate is that \$40 billion will be needed to provide national power needs over the next 10 years.

.... At least 12 million kilowatts will be needed in the Pacific Northwest during the next two decades to meet your estimated power needs.

.... Federal water resource projects now underway in the Pacific Northwest will involve total expenditures of \$1.9 billion. Included in this total are multiple-purpose projects whose total generating capacity is more than $2\frac{1}{2}$ million kilowatts. Projects completed have a capacity of over 4 million kilowatts. Bonneville Power Administration has already built 6,320 miles of transmission lines with 410 additional miles probably to be completed by June 30, 1957.

.... In the past four years the Federal Government has spend \$3.5 billion for the construction of water resource and power projects. Expenditures for the current fiscal year will reach approximately three-quarters of a billion dollars.

.... In this current fiscal year the Corps of Engineers was given authority to start 146 new projects, involving a total financial commitment to complete of about \$1.3 billion.

.... This year, after long delay, the comprehensive development of the Upper Colorado River basin was approved after strong urging from the President.

.... This administration sponsored, and secured passage of, two vital additional links in the water resource development field: the Watershed Protection Act, administered by the

California last year highlighted specific area problems. It would take years to build all authorized projects, even at a vastly accelerated rate of construction. No one area can ever expect a President and a Congress, representing as they collectively do all of the country, to funnel all or even most of the available Federal money for resource development into that area to the exclusion of everyone else. And yet in terms of your own needs this is what would be required to meet even anticipated demands of today with Federal money. However, let there be no misunderstanding. This Administration will exert every effort to provide to the maximum possible extent consistent with other requirements our share of your needs.

I submit that partnership in resource development isn't a question of favoring one group over another. It is simply a matter of plain common sense, and urgent necessity. We all agree that investment in development of our natural resources is one of the best investments we can make. This Administration is firmly devoted to that philosophy. And we also realize that good power investments not only are sound, but that they will be repaid. But what some people seem to forget is that if a Federal investment is made in power resources which could just as well be built by State, local, or private resources, then for the 50-year period of repayment, at least, this money will not be available for other developments which perhaps could not be built by others.

The Upper Colorado project is a case in point. As the President said when he pressed the button which started work on the development:

"The project itself is a good example of one phase of the partnership principle which this Administration believes

careful look to see where we are. Hasn't the time come when we should stop bickering about who should do what, and find out how all of us, working together, can do the things that need doing? Haven't diverse interests perhaps been fighting for position at the expense of the general public?

I for one believe cooperation can work. We have the know-how, the interest, the money, and the desire. If we put all of those things together, in cooperative endeavor, as the River-Basin idea suggests, I think you will find the way to create in the Pacific Northwest an even better place in which to live and work and raise your children. The national administration most certainly will pitch in. As President Eisenhower said when he was here last month:

"...on every front--from conservation of our ancestral resources to development of our most modern resources--the same fact is clear. We are building a stronger and stronger America--to sustain the prosperity we enjoy--and, ultimately, to win the peace we seek."