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THE ECONOMIC ASPECTS OF REGIONAL PLANNING

by

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George T. Hudson, who was designated discussion leader, is unable to be here today because of having to attend the Columbia Basin Inter-Agency Committee meeting at Walla Walla, Washington, and has asked me to take his place as discussion leader of this panel.

Regional planning in the West has largely been concerned with the various aspects of the management and development of land and water resources. The discussion today, in the main, pertains to the implications of the present and proposed multi-purpose projects of our river basins.

Regional plans for river development in the West had their beginning in 1900 when President Theodore Roosevelt recommended the establishment of a river development commission. Theodore Roosevelt was also concerned about the conservation of our watersheds and, to him, we attribute much of the initial effort in establishing our National Forests. In 1920, Congress authorized the survey of river systems for the purpose of comprehensive multi-purpose development.

In the Pacific Northwest, the Corps of Army Engineers began a comprehensive survey in 1927 of the Columbia River and its tributaries. House Document 308, 69th Congress, was published in 1932, which was the outgrowth of this investigation and is commonly known as the "308" report. The beginning of intensified development on the Columbia River probably started with this survey, and Bonneville Dam is the first multi-purpose project constructed as a result of this planning. This was one of the few projects that was not hastily drawn in days when President Franklin D. Roosevelt sought to speed recovery by a large scale program of public works.

In 1933, we have the Tennessee Valley Authority Act providing for a coordinated management and development of water and land resources in the Tennessee Valley and its tributaries. In the following year, a Congressional Resolution requested the President to report on a comprehensive plan on the improvement and development of rivers in the United States. You will probably remember the efforts of the late President Franklin Delano Roosevelt to obtain the enactment of legislation creating seven regional valley authorities in 1936. In 1934, President Roosevelt also created the National Resources Planning Board (National Resources Committee), which established regional planning councils, such as the Pacific Northwest Regional Planning Council. At this time, State Planning Councils or Commissions were created by legislation in most of the states of the nation. Regional planning made greater strides under this activity than any program so far, and the termination of the National Resources Planning Board in 1943 was a serious setback to regional and other planning work.

The first flood control legislation providing for cooperation of the Department of Agriculture and the Corps of Engineers in watershed investigations was enacted in 1938. Also at this time, the Mount Weather agreement was signed by the Land Grant College Association and the U.S. Department of Agriculture under which the Land Grant Colleges and the Bureau of Agricultural Economics inaugurated the land use or agricultural planning program

which inventoried problems of farmers and rural people, recommended remedial measures and provided a degree of coordination among various agencies of the Department of Agriculture and the Land Grant Colleges in directing their programs toward the goals set by this program. This program was unique in that it provided for participation of farmers as well as agricultural agencies in the planning process. Most of us here today were concerned in some way with land use planning.

In 1943, the Federal Inter-Agency River Basin Committee was established by the Executive Branch of our Government and now includes the Departments of Interior, Agriculture, Commerce, War, and the Federal Power Commission. This Committee is charged with the responsibility for reviewing and coordinating the activities of principal agencies engaged in drainage basin investigations, preparation of reports and conduct of programs.

The Flood Control Act of 1944 re-defined national policy with respect to comprehensive and coordinated river development. This Act recognized the interest of states in the management and development of watersheds, established priority of irrigation and consumptive use of water and delineated the functions of federal agencies engaged in drainage basin programs.

In recent years, we have had considerable activity on the part of the proponents of valley authorities. Bills have been introduced in Congress to create the Missouri Valley Authority and the Columbia Valley Authority, as well as authorities in other drainage basins. Recognizing the interest in the coordination of river basin plans and programs, the Missouri Valley Inter-Agency Committee and the Columbia Basin Inter-Agency Committee were created during the years 1945 and 1946 as sub-divisions of the Federal Inter-Agency River Basin Committee. Intra-departmental coordination in the Pacific Northwest has been effected by the Pacific Northwest Coordination Committee for the Department of Interior and the Regional Agricultural Advisory Committee for the Land Grant Colleges and the Department of Agriculture.

The interest of the people in a well-developed and coordinated approach to the development of regions still is intense. The need for abatement of floods in the mid-west and other areas of this nation and the demand for additional hydro-electric power, new lands for settlement, and accelerated development of manufacturing industries in the West, are strong incentives for people to demand coordination of activities and adequate support for resource management and development programs.

There are those groups that believe that the complex and thorough engineering reports prepared by the Corps of Engineers and the Bureau of Reclamation, often referred to as "comprehensive reports", are not truly comprehensive and that other aspects of our economy should be considered, such as the resource conservation and management phases and the effect on our national economy of the addition of increased acreages of crop land by means of irrigation projects. Re-examination of the aspects of cost-benefits and re-payment of money invested by the Government in multi-purpose projects requires additional study not only by federal agencies concerned but the various groups affected.

At the present time, we have observed the controversy over the opinion of the Solicitor of the Department of Interior known as the "solicitor's opinion" and the use of the "interest component." The payment of interest on capital invested on development projects into the United States Treasury,

rather than using it as a means of maintaining low power rates, as proposed by the National Reclamation Association, in order to put multiple purpose projects on a "business basis", has occasioned considerable discussion and has culminated in the introduction of the second Rockwell Bill in Congress this year.

We may also consider the function of regional management and development programs as they relate to public finance; that is, using up idle savings and maintaining a high rate of capital investment which economists claim is needed for maintenance of full employment.

At the present time, regional planning does not include the participation of citizens in the planning process. Major policy decisions such as the scheduling of projects and gearing settlement to economic opportunity now largely influenced by the federal agencies and various pressure groups could perhaps be better formulated if a process were to be evolved whereby citizens could participate in the activities involved in regional planning. Many agencies equipped to make major contributions in investigations have been excluded.

Mr. Dwyer, Mr. Bessey, and Dr. Marquis will cover many of the questions referred to above in the papers that will follow. Many of those that are not mentioned have been discussed by you in previous years, but we hope that all these questions and the ones not covered will be discussed by you during the discussion period or perhaps in future meetings as regional planning progresses and there is a greater need for evaluating the effects of existing and proposed programs concerning resource management and development projects in our drainage basins.

