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Natural Resources Policy, Department of the Interior Style

Garrey E. Carruthers

It is a treat for me to escape the pleasures and amenities of Washington, D.C., to join my brothers and sisters of the Western Agricultural Economics Association for this annual conclave. Having successfully infiltrated government (at least the Department of the Interior), I have been granted my first pass outside of Washington, D.C., since my arrival there in early February. I chose this meeting as my first official sojourn for three reasons:

1. The honorarium offered is positively indexed to speaking time and the program committee has generously allowed 3 hours for the Bill Leshner/Garrey Carruthers show. Their foresight will, of course, cause the usual economic response. We will take the 3 hours, which will further help Bill and I defray the rather high cost of representing your interests in the expensive restaurants and cabarets of Washington.
2. Economics is the name of the game in Washington, D.C., in this Administration, and I wanted to give you a flavor for some upcoming natural resources policy, Department of the Interior style.
3. My being here is the strictest application of Gilmer's law of political leadership, which states: "Look over your shoulder from time to time to be sure someone is following you."

The Western Agricultural Economics Association annual meeting appears to me to be the natural place for a predominantly western department to check — to look over the shoulder — to see if anyone is with us.

First permit me to put this discussion into some context. The Department of the Interior was founded in 1849 and is the fifth oldest of the Departments. It has enormous and wide-ranging activities, including management responsibility for 72 million acres of parks, 84 million acres of refuges, 341 million acres of public domain for other multiple uses, and has 800 million acres of onshore leasing, and one billion acres of outer continental shelf leasing responsibility. Additionally, the Department performs trust responsibilities for the territories and Indians and maintains a number of regulatory programs, such as the Endangered Species Act and surface mining reclamation. The Department of the Interior is a builder; its Bureau of Reclamation program builds and manages dams and irrigation systems, and develops hydro and wind power resources. The Department has, for years, engaged in water research, technology development, plus water data accumulation and dissemination. The Department of the Interior receives for its stockholders far more than it spends, a most unusual circumstance in Government.

The Department has been considered over the years as a rather unexciting place where very little happens and nothing much changes. The Interior Cabinet post was normally reserved for a Westerner who was expected to manage to the status quo. Interior was a sleepy little Department, scarcely heard of by others more than two blocks away.

The entry of President Reagan and Secretary Watt has awakened the slumbering buffalo — the proud beast which symbolizes the Department. This outcome was to be expected because the President has called for a new beginning, a change in the way we are gov-

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erned. He spoke often about needed changes in management of the Nation's public resources. Secretary Watt, philosophically in tune with the President, responded to the President's call to launch this new beginning in natural resources policy and programs. The course charted reflects very strongly the philosophical bent of these leaders and the Republican Party. Parenthetically, I should note that adherence to philosophy is very important to this Administration.

The natural resources policy, articulated in this new beginning, is founded in a number of basic tenets:

1. This country's security is jeopardized because we are overly dependent upon other nations for strategic minerals and oil.
2. The private sector is better equipped to carry out many functions than is the Federal Government.
3. All American should expect benefits from public resources, not just those who can afford to visit a wilderness area or who have a vested use interest.
4. States, local governments, and the private sector have been hampered because Federal regulation has become a part of the problem, not a solution.
5. The overriding issue for Americans is the condition of the economy, and the first order of business must be to correct the course of the Nation's economy and to establish this country as a world economic leader.

The challenge of the new beginning was to bring balance to the Department of the Interior's natural resources policy, balanced multiple-use with appropriate environmental safeguards, a balance of current versus future use, a balance of Federal and State responsibility, and a balance between Federal and non-Federal development. Contrary to popular belief, the Department of the Interior does not intend to strip mine everything west of the Mississippi. All natural resource policies are within the framework of the existing law; there is no legislative agen-

da for the Department. We will adhere strictly to those laws that are now on the books, particularly those regarding the environment.

One must admit, however, that policy is often subject to the First Law of Wingwalking, which states, "never leave hold of what you have hold of until you have hold of something else." Our greatest challenge has been, and will continue to be, getting the multiplicity of natural resource interests to "leave hold of what they have hold of" and "get hold of something else." Today is my first attempt at describing, generally, the "something else" for you and other natural resource interests to "get hold of."

The new directions in energy programs emphasize providing greater energy opportunities for development and a dependence upon the private sector to shoulder more of the information gathering and exploration responsibilities. Our objective is to offer more public lands for energy production. The Department has revised the 5-year schedule for outer continental shelf leasing, which will lead to offering one billion acres for lease over the next 5 years. This has been the most volatile program we have promulgated, but is one that is essential for America's energy independence. Next, we plan to expand and accelerate coal leasing and are in the process of streamlining the coal leasing procedures. Additionally, we anticipate establishment of a permanent oil shale leasing program in cooperation with the Congress. This expresses our confidence that oil shale may be the energy of the future.

The Department intends to streamline the environmental impact statement process, which will provide a more cost-effective decision information system for all resources development. This streamlining will move resources on line for exploration more rapidly than is possible today. Additionally, a streamlined environmental impact statement will now make it a useful decision document and not just an exercise pursued by interested consultants. You will note that we will depend more on the market, as opposed to

the government, for tract selection in all of our leasing programs. In the past, we have leased all gas and coal only after the government selected tracts. In the future, the Department plans to open up areas for possible leasing, after the proper environmental evaluations, and let the market systems identify those tracts that are desired as reflected in their bidding.

Recently, I have lifted a moratorium on leasing acquired military lands and we have supported a revision of laws so the States will share 50-50 with the Federal Government on bonus rents and royalties from this leasing. There has been a sweeping revision of the Office of Surface Mining regulations, with reduced Federal regulations and promotion of State involvement in surface mine reclamation. We have welcomed the new interest in hydropower development, particularly hydropower development with non-Federal financing. We hope to wrap up our new concerns with energy resources and mineral resources with a new statement on strategic minerals policy to ensure America's future security and economic well-being.

In land resources policy, we have attempted to respond to many of the causes of the Sagebrush Rebellion. The key to our response is improved access to all public lands, with some focus on resource enhancement of the public grazing lands in the Western United States. We are assessing programs for blocking up lands to assure better management. We've asked the Governors to identify small parcels of Federal land to be transferred to the States and localities for public purposes, and we have reduced park land acquisition, preferring to focus on improvements and updating of the National Park System. The Director of the BLM and the Secretary have initiated a new selective range management strategy which focuses range improvement funds where investors will get the biggest bang for the buck, the lands where investment will have the highest marginal value productivity.

Access to public lands will be enhanced when we complete the wilderness study

process. We would like to expedite the study process and identify lands that should be managed appropriately as wilderness and do so. Those areas which are unsuitable for wilderness can then be returned to the multiple-use planning process.

In water resources, the natural resource policy that will be articulated by the Department of the Interior will be based upon a rather strong States' right position. Water resources should be allocated and managed by the States. We anticipate a new focus on revenue sharing for all projects, which will create an assumption, on the part of the States, of a heavier financial burden, as well as more active participation in decisionmaking. The drive to full-cost recovery, plus interest changes for vendable water services, all reflect our concern for the welfare of all the stockholders in the Federal system.

Another water resource issue of interest is the 1902 Reclamation Reform Act. While not an Administration bill, passage should lead to higher acreage ownership and unlimited leasing, with some possibility of changing to full cost of water service for those having greater than allowable acreage.

The Department has been involved, through the Working Group for the Cabinet Council on Natural Resources and Environment, in changing the principles and standards for water projects. Our objective in these changes was to simplify the principles and standards, and focus them on economics, while lending greater discretionary authority on the part of the Cabinet than has been the case.

You will note, in water resources, the death of some old standbys. The Office of Water Research and Technology, although a good program, was one that we didn't think we could afford any more. The Water Resources Council was zero funded, principally because it had not effectively met its charter. In a budgetary crunch, independent agencies with poorly defined missions are often the first to go. In the Department of the Interior there will be a new Office of Water Policy which has as objectives water policy analysis

for the entire Department and liaison with the States.

The Department of the Interior looks to the Cabinet Council on Natural Resources and Environment as the element to establish water policy in the Executive Branch. We look to the Congress as the authority, however, on water resources policy for the country.

According to Gilmer's law of political leadership, one should look over one's shoulder from time to time to see if anyone is following. I've discovered that there are a number

who are following, a number who wish to follow, some who are leading, and some who wish to lead. The Western Agricultural Economics Association is probably in one of those categories and, therefore, very important as we set out this new beginning in natural resources policy. Please call or write on any of these or other issues you think are important for the Department of the Interior to consider early-on in President Reagan's new beginning in natural resources. We can use your able assistance.