

Water-Power in the East

Does Conservation Stand for Use or Non-Use, Development or Stagnation?—Is the East Trying to Draw a Revenue from the West in Water-Power when the East Has Wasted Its Own Resources?

By AGNES C. LAUT

THE fact that one authority is financially allied with the claimants to the Alaska coal lands, that another represents the largest private power and irrigation project in his State, and that the other is attorney for consolidated power companies, does not in the least reflect on the sentiments expressed in the paragraphs printed in the next column. Each authority practises exactly what he preaches—corporation acquisition of the big public resources. The sentiments are not set down as any reflection on the authors. They are set down because they are honest, downright, outright, open, and on-the-nail expression of a lot of vague opinion that is floating around, doing harm because it is false and founded on assumptions contrary to fact. A Western Senator actually asked me in genuine indignation how the East dare preach conservation to the West and lock up Western water-power, when all the Eastern water-power had been rifled away from public control. Hadn't the waters been flowing since God made them, and what good were they if they weren't used? What did all this talk about conservation mean anyway but locking up against public use? He, for one, wasn't going to stand for this business of civil servants perambulating around the country preaching fool nonsense! It was the same vague opinion in another form founded on assumptions without a shred or the shadow of a shred of truth.

What the Senator did not seem to know was that conservation has gone past the howling stage in the East. Men are no longer preaching it: they are practising it. It is no longer a "hazy demand." It is an actual fact. Water-powers in the East are not only being "conserved," they are being stored, controlled, operated by the people and for the benefit of all the people instead of the benefit of a favored few; and they are being so conserved with the hearty cooperation and endorsement of—whom do you think?—the very same companies that are raising the howl in the West.

The Real Meaning of Conservation

CONSERVATION of water-power as it exists in actual practise does not mean the locking up of water-power against the public. It means the throwing open of that power to full development—dry season as well as rainy, not just a tenth of the possible power, but ten-tenths of the possible power; not just to the profit of one per cent of the population or two or three units of capital, but to the profit of every living soul in the State where that water-power exists. Conservation is not demanding that water-power be conserved in the West for the East, but that water-power be conserved in the West for the West, and in the East for the East. The conservation plans of New York State embodied in Governor Hughes's public utility policy contemplate right now and on the spot, and not up in air, and without seeing red, an income and saving to the State from water-power that may ultimately reach \$18,000,000 a year; and that income to all the people from the people's water-power will not detract one dime's value from the big water-power companies' holdings, but will add to the value of their holdings; and the added value comes back to all the people more evenly distributed than if only ten per cent of the water-power were developed and that ten per cent went into the pockets of two or three people. That is what conservation means in actual practise, and it's a great deal more sensible than exchanging brickbats about "the monopolistic Colossus which is nurturing itself at the breast of its foster-parent, "the public," or ranting foolishness about East *versus* West and "the paternalism"—whatever that means—that's going to choke folks black in the face.

Let us see how New York turned the trick! The spirit of the West is the spirit of Missouri, that says: "Show me"; and perhaps if the West is shown just what New York did and how and what it is doing now, there will not be so many brickbats aviating back and forward between East and West.

"THE West will not consent to a policy of administration that would sell or rent water-powers for the benefit of the 'whole people.' Water-powers in New England are not so 'conserved.' Then why in Oregon? . . . Just to satisfy a hazy demand in the East for 'conservation.'"—Portland Oregonian on Conservation.

"The water runs down our mountains, and most of it flows idly to the sea without turning a wheel, but to prevent grabbers from acquiring vested rights the theorists insist that it must keep on flowing idly until it can be made to yield tribute. . . . These new policies have their roots in paternalism, their tendency is toward despotism, and if not checked they will choke to death our boasted government of the people, by the people, and for the people."—Judge Hanford at the Alaska-Yukon-Pacific Exposition, Seattle.

"Your policies cripple industries and development, and thereby instead of conserving resources cause their waste and destruction."—Frank Short of Fresno, California.

It all dates from the time power projects began at Niagara. New York State suddenly awakened up to the fact that on the Canadian side of Niagara the power company had agreed to pay for the use of the public's "white coal" from \$20,000 to \$30,000 a year, with upkeep of the scenic park; while on the American side of Niagara the very same power people under a different charter were taking 200,000 horse-power a year of the people's "white coal" without any compensation to the people whatever, though at market price of raw, undeveloped water it was worth \$5 per unit, or a million dollars a year; at market price of developed electricity worth from \$11 to \$25 per unit, or from \$2,000,000 to \$5,000,000 a year. Having allowed a passer-by free gift and title to your property, you can not change your mind because you realize you have been a fool and go after him and take it back. So with the title to power on the American side of Niagara. The companies were entrenched: the public was the poorer from the loss but the richer from the experience; so when a power company came along asking exclusive right to power along some rapids on the St. Lawrence, Governor Hughes refused to sign the bill till the company contracted to pay to the public for such privilege some 75 cents per 25,000 horse-power and a sliding scale above that figure. It wasn't the amount. It was the question whether these grants should be made from public property without some compensation to the public. The many having granted the privilege to the few, it was up to the few to make some return to the many. Thereafter, when power people came asking water-power privileges from the State, New York sat up and took notice. It was not to restrain, to curb, to lock up water-power; it was to see that when the few took something from the many, the many should get something back from the few. That year in his message Governor Hughes had suggested that it was "well to consider the great value of undeveloped water-powers. They should be preserved and held for the benefit of all the people and should not be surrendered to private interests. It would be difficult to exaggerate the advantages which may accrue from these great sources of power if the common right is duly safeguarded." What did he mean by advantages which might accrue? He meant what Germany and France and Switzerland and Australia and Canada are doing—though Switzerland had to amend her constitution to do it—making water-powers a source of revenue to the state. In Australia undeveloped water-power is sold at \$5 per unit and affords an enormous revenue to the state; and—Colorado and California please note!—not a single lawsuit has ever occurred over water rights.

The Situation in New York

GOVERNOR HUGHES'S message went on to suggest "a plan embracing in a clearly defined way the matter of water storage for purposes of power." The suggestion materialized in the passage of the Fuller Act of 1907, providing that the State Water Supply Commission, which already had control of all water supply for municipalities and control of river improvements, should take an inventory of all the waters in New York State for a scheme of development and conservation. For this investigation the State Water Commissioners obtained the services of the most eminent consulting engineers in America, men like John R. Freeman, whose advice is law with the biggest power companies in America; and I want you to notice what these big engineers ad-

vised. They are the same men who are paid princely salaries to advise the big power companies of California; and if the West took the advice which these engineers give there would be fewer brickbats flying, and in their place a big constructive conservation policy such as New York State has inaugurated and will have considered by the Legislature this winter for the people's verdict. It is not too much to say that if the main plank in Governor Hughes's platform next January be endorsed by the public it will be one of the biggest projects inaugurated by Governor Hughes and one of the most important ever undertaken by New York State. While the Western States have been heaving brickbats, New York State has been sawing wood and saying nothing. While it is impossible to know the details of Governor Hughes's coming message, if you talk to the Water Commissioners and look over their drawings, it is a pretty safe guess what the main character of the Governor's recommendation is to be.

I can tell you the only course that is possible, and I can tell you the results of the engineers' inventory of all the waters of the State; and then you can guess what is coming yourself.

This reducing of conservation to terms of the concrete by New York State is not the result of "hazy paternalism." It is not a one-man policy. It is not Gifford Pinchot and it is not Governor Hughes. It is the logical result of converging necessities that only a fool would resist.

First of all, when the big cities like New York began draining the country for a water supply, the little cities and towns took fright that they might be drained or drowned out of existence; and they petitioned for the State to sit up and get busy.

Then two or three rivers in New York State have a sportive way in spring of cutting up high jinks and drowning roadbeds and flooding out power-houses. The Genesee has little tricks of that kind; so has the Mohawk. Such little tricks in a single spring have cost railways in roadbed \$1,000,000. If you don't believe that, ask the railroad men their bill of expenses and hear their maledictions on the Mohawk. So the railways and the power companies came with a tale of woe to the State for something to be done, and done quickly.

The commissioners' inventory showed that 1,824 water-power plants were operating in New York State on sites alienated forever from public control with over 600,000 horse-power in use and 800,000 horse-power capacity available, placing New York at the top of the list as a water-power State, California coming second, and Maine third.

Too Much Water and Too Little

THINK of what that means in profits from the public's "white coal"—at raw, undeveloped water-power rate, from \$3,000,000 to \$4,000,000 a year; at developed rate, from \$12,000,000 to \$16,000,000 a year; but you need not see red over all that loss to the public; for it is not all the velvet profit that it seems. These rivers that flood the turbines out in spring from sheer joy of bounding force grow languid in summer and go out of commission from drought, so that these power companies have to provide extra steam and gas plants to the number of 124,000 for the three dry months of the year—1905 and 1908 were exceptionally dry. At cost of \$4 a ton, the companies were put to enormous expense from lack of water; for the cost of the steam plant, for the fuel, and the extra help—to amounts running all the way from \$1,000,000 to \$3,000,000—sheer loss from lack of water. So the power companies—power companies with the same shareholders as the companies that are howling against conservation in California—came over into the camp of conservation, and asked the State to do something—do it quickly. Men who have put from \$1,000,000 to \$10,000,000 into a plant can't afford to see it knocked out of commission by too much water in spring and too little water in fall. This is the point where conservation becomes mighty practical.

Why didn't the companies go to work for themselves

