

INTERVIEW TRANSCRIPT

Interviewee: Robert V. Phillips

Title: Former-General Manager and Chief Engineer, Los Angeles Department of Water and Power

Location: Phillips' home

Interviewer: Steven P. Erie

Dates: 6/1/95 (tapes 1 & 2) and 6/11/95 (tapes 3 & 4)

Transcription: D. Shirk

Note: Unable to find and correct spelling on "Callageus" water district.

TAPE ONE: 6/1/95

Erie: We're going to talk about Bob's lengthy career in the Department and the relationship between the Department and the Owens Valley ... then talk about matters more political, having to do with City Hall, internal relations within the Department (primarily between the Water and Power System) and, of course, the relationship with the Metropolitan Water District, a relationship of some consequence. And then, finally, we're going to talk about the current situation the Department faces, particularly with reference to the Riordan administration installed in Los Angeles' City Hall. But Bob, I'd like to start by having you talk a little bit about your career; from a chain-man, a line-manager on a survey gang, all the way up to General Manager and Chief Engineer of the Department.

Phillips: Well, I went to ... I graduated from the University of California at Berkeley in December of 1939, with a degree in civil engineering. Unlike conditions today, in those days even with a degree in engineering you started out at the bottom, if you were lucky, in my opinion. So my first job ... my absolute first job I worked a few months for the State Division of Highways on a highway relocation project near Malibu. But very shortly I got a temporary job with the Department of Water and Power as a chain-man on a survey party, working in the Los Angeles area on the location of the Stone Canyon Trunk Line, which was being built at that time.

And shortly after that, I got a call to a permanent job as a chain-man on a survey party in the Owens Valley, which suited me fine because I liked the Owens Valley and I'd been up there a lot. I had just been married to a young lady who was not a native of the Owens Valley but who had been raised there most of her life ... since she was nine years old, actually. So she had a great many friends in the Owens Valley and was glad to go back there. So we went to the Owens Valley and spent thirteen years there in Independence and that's how I got started.

Erie: And from that point on ... just briefly, Bob, your career ...

Phillips: Well, I was a chain man on a survey party for a little while. And, of course, the war came along and I endeavored to get into the CB's through Officer Training Program. And I endeavored to get into the General Officer Training Program in the Navy and they

turned me down. Then, because of the shortage of engineers the Department deferred me for a while, and I was practically the only engineer on the whole Aqueduct system who was really a well-trained engineer.

So I was very busy the early years of the war doing all sorts of work, mostly on the L.A. Aqueduct system ... both the Northern District where I lived and the Southern District where

I spent quite a bit of time, for a brief time, because there was a shortage of hydrographers also ... they had gone into the service. I worked with a hydrographer and made snow surveys, because I had had a little experience at that earlier. So I was a snow surveyor and hydrographer for a time also.

However, within a couple of years I became what is called a Civil Engineering Grade B, that's the entrance level Civil Engineering position. I did a little design work and some office work and began to do budget work. From that, in a matter of two or three years I went to Civil Engineering Associate. During that period, I was drafted finally, and I went to report to the Draft Board to be inducted into the army. I went down and took the physical examination and at the end of all that I came up before two doctors, an army doctor and a navy doctor, and they looked at each other and each asked the other if he could use me. They both shook their heads and stamped my certificate 4F, and that was the end of my career in the army. Apparently I was too tall, at that time 6 feet and 7 inches, and I didn't weigh too much and that's why they thought they couldn't use me.

Anyway, I came back to Independence and worked two or three years, four years maybe as a Civil Engineering Associate. That was, in general, civil engineering work, hydrographic work, hydraulic analysis, hydrographic analysis, stream flow analysis ... almost any phase of engineering having to do with the operation of the Aqueduct system. Then in 1948 I became a water works engineer, that is the first level of engineering in the city's civil service system where a license is required. I had gotten my civil engineer's license through state examination in 1942 at the first opportunity that I had, two years out of college. So I became a water works engineer in '48 and that was really the first professional level engineering job ... at that time I was 31. I was still in the Owens Valley however I was put in charge of all the engineering work and the hydrographic work in the Northern District. That is, everything north of Haiwee. That went on for two or three years.

In any event, in 1953 I had been there 13 years and I figured that was long enough and I should be getting broader experience, and my superiors thought so too. So I was transferred to Los Angeles, directly into the Water Executive Office, where I was a Water Executive Staff Engineer. And that was a good move because I got close to the executive operations, assisted the Chief Engineer of Water Works in technical analyses of various things and wrote reports on things and that was good experience ... I was only in that office a year and a half or two years and then I transferred in to the Design and Construction Division at that time of the Water System. The head of that division was a man named Ralph Proctor; he had international fame as one of the fathers of modern soil mechanics. And I was immediately put into the field in charge of some very heavy

construction work, tunneling and a re-building of Stone Canyon Reservoir, which was just above Brentwood and the U.C.L.A. campus. The Reservoir was completely rebuilt, a new bypass tunnel built, and I was much involved in all of this. I had charge of the field engineering, including all the placement of the compacted earth fill in the dam and the laboratory tests that went with that. That again was a very broadening and valuable experience to me. I spent about five years in that and by the time I got through I knew heavy construction and I knew tunneling and major concrete structure work... all of it extremely valuable and I appreciated the chance to do that.

Then at 1959 I became Assistant or Southern District Engineer of the Los Angeles Aqueduct Division. I still worked in Los Angeles in that position directly under the head of the Aqueduct Division, a man who was very helpful to me in my career by the name of John G. Cowen. He really brought me along, so to speak.

I worked on that job about a year or a year and a half, when an opening came up in the Northern District in 1960, the Northern District engineer. That job was headquartered in Independence and I had charge of all of the operations of the Department north of the Haiwee Reservoir, not only the operation and maintenance of the Aqueduct and construction of capital improvements, but administration of all of the Department's lands and property in the Owens Valley including the leasing of business properties, ranch properties, grazing lands, over 300,000 acres of land, and a great many different kinds of business and residential properties. I took that job over on Jan. 2, 1960 and I was in that job for about three years when an opening came up back in Los Angeles. Well, in connection with the Northern District job, I moved back to the Owens Valley, built a home in Lone Pine and lived in that area for about three years.

At the end of that, in 1963, I was appointed head of the Aqueduct Division, which required my moving back to Los Angeles. Actually, I stayed in the Owens Valley and the division had capacity to break in a new Northern District engineer, a man who had capabilities but no experience in the Aqueduct Division. I worked in the Aqueduct Division

on a great many interesting and challenging projects that I won't go into here, but one of the things that I participated in was the initial planning and conceptual planning for the second Los Angeles Aqueduct. And I contributed to a report to the Board of Water and Power Commissioners which pointed out the need and the viability -- the advisability -- of

building that second aqueduct. And this report was accepted by the Board and during my tenure as head of the Aqueduct Division between 1963 and 1967, I had a great deal to do with the inception and the beginning of planning and construction on that Aqueduct.

In 1967, I was again moved up to Assistant Chief Engineer of the Water System, with Mr. Cowen having been made Chief Engineer directly ahead of me. This continued my involvement with the building of the second barrel and my close supervision of not only the Aqueduct features and requirements, but the work of the design division and other divisions of the Water System in planning that Aqueduct and building it.

In 1969, early '69, Mr. Cowen had moved up to Assistant General Manager and I moved

into the job as head of the Water System, where I became involved in even more exciting challenges. I was head of the Water System in 1971 at the time that the earthquake hit and almost demolished the lower Van Norman Dam. I was much involved in the decisions regarding the securing of that situation and the plans for rebuilding the dam and a great deal of political and public relations work to overcome antagonism toward any rebuilding of storage at that point. However, we ultimately prevailed successfully.

On May 1, 1972, upon the retirement of both Mr. Kanouse, who was at time General Manager, and Mr. Cowen, who at that time was Assistant General Manager. the Board moved me up to be General Manager and Chief Engineer of the Department. I continued to be involved in the dire experiences that the Department was having, such as the Arab Oil Embargo in the '72,'73,'74 period, a general strike against the Department in 1974, the continued aftermath of the 1971 earthquake, and a great number of other things that came up at the time. I retired from the Department on April 1, 1975. I was in good health. I apparently had been successful as a General Manager, at least I had been given a letter from Tom Bradley asking me to stay on and stating some nice things about my handling of the General Manager position. The reason that I retired at that time was that I had had trouble all along understanding the motivations and the operational methods and the attitudes of the political element of the city, primarily the City Council. It got to the point where I felt that I was not managing the Department; the City Council and the Mayor were telling me what to do, and I didn't wish to damage my own reputation by doing things which I knew were wrong. And that, frankly, is why I retired ... I don't know how much of that you want.

Erie: Oh, that's fine Bob. That's about 10 minutes and that's necessary background material. .. in fact for me, because only part of it was in the ... history. What I'd like to turn to now is the very controversial relationship between the Department and the Owens Valley. You spent many years as an Owens Valley resident. You lived much of this experience, not the early experience in terms of the initial surveys and the water options that were purchased right after the turn of the century. But if you could just furnish your perspective on the history of the Department's relationship with the Valley. You might want to take it by periods: from the early period, the building of the Aqueduct, the securing of the rights, the post-Aqueduct period, taking it right up to the present, because there is so much controversy, there are so many books out there that talk about the so-called "rape" of the Valley by an arrogant, imperial Department. And I just want to give you the opportunity to set the record straight in terms of how the Department has treated the Valley and how the Valley has viewed the Department.

Phillips: Perhaps my perspective should be enlarged on a little bit with a fact that hasn't been mentioned so far, that my father was an employee of the Department; not only an employee, he was a peer of people like Mulholland and Van Norman and Scattergood. He came to work for the Department in 1911, rose rather rapidly in the organization, and at the time of his premature death at the age of 57 in 1940 (his career and mine, incidentally, overlapped about six months) ... he was the engineer in charge of the Aqueduct Division, which at that time was a somewhat larger job than when I was in it

because it included supervision over all the power interests in the Owens Valley, and a much closer rapport and liaison with Mulholland and, particularly, Van Norman than the job had later. My father was interested in my interest in the Owens Valley; he took me up there the first time when I was ten years old in 1927 and after that I never missed a year when I didn't make at least one trip into the Owens Valley, almost always in his company and in the company of the men he worked with, and learning all I could because I was fascinated by the whole thing. And I was learning from him about the history that had occurred before my time.

So I had a very good background in the relationship with the Owens Valley, of which you speak. It's a very complex thing, I've thought a lot about it, I've read all the books that you've mentioned, I deplore the treatment of it by many if not most of these books. In fact, I would like to be able to write my own discussion of it. However, the thing that keeps coming back to me as I review all this in my own mind, as I do often, is the fact that what happened was ultimately proved to be the right thing to happen. The heads of the Water System, the officials of the system, the heads of the Bureau of Reclamation, and Theodore Roosevelt himself were all correct. It was a case of the greatest good for the greatest number. There were things which have never come out that make the Owens Valley not a good place for a large reclamation project. There were distortions of what happened. There were certainly mistakes made in the way things were handled by some of the authorities involved at the time.

J.B.Lippincott -whom I met and talked to shortly after I graduated from college about the whole matter- impressed me as a very sincere, honest man who even at that time continued to be hurt by the misinterpretation that had been put on his actions... He did what he thought was right, I'm convinced. He had been a consultant to the City of Los Angeles even before he was associated with the Department of Water and Power, or I mean with the Bureau of Reclamation. He knew a great deal more about the city's situation water-wise than did anyone else in the Bureau of Reclamation. He also knew the Bureau of Reclamation; he knew that for one thing it was a brand new organization, it was still shaking down its own organizational structure. As with all such new organizations given a charge to do something, they had gone out. .. as the saying goes, ridden off in all directions ... capturing reclamation sights all over the country. They had a great many of them. Some were good, some were bad. There were several in California, including the Owens Valley. Lippincott, who was in charge of the Owens Valley development, in my view, could see right away that it was not one of the more desirable sights to be spending money on, especially while, as a new organization, the Bureau of Reclamation's funds were very limited. In retrospect, it's interesting to note that at that time the Yuma project in Arizona-California and one other project in the San Joaquin Valley were the two projects that were adopted and proceeded rather rapidly.

The Owens Valley was finally rejected in favor of the City of Los Angeles. The thing that's interesting to note is that the Yuma project and the project in the San Joaquin Valley were both at very low elevation; they had a much longer growing season, they had a much warmer climate except in the intense heat of a couple of months in the summer.

They were not subject to the violent winds and the late frosts that the Owens Valley was subject to; they were simply better options and they are the ones that were taken. It's not surprising to me at all that the Owens Valley was not pressed for harder than it was by the Bureau of Reclamation's people. So that is the point of view from which I judge the whole thing.

There was a lot of diversionary things happening in Los Angeles, such as the formation of the group of business people in Los Angeles who bought up lands in the San Fernando Valley and who were vilified for that. Unfortunately, they were tied into the Bureau of Water and Power, or the Water Bureau at that time, and there was no point in doing that. Mulholland had nothing to do with them; a project of that magnitude, while they tried to keep it quiet for a while, would come out because leaders of the city were the people that had to approve it ultimately. And so the word got out that it was going to happen and immediately the wealthy interests in the city saw a chance to capitalize on it and they did. This was not illegal, but it may have been a miserable display of greed, but it was not illegal and it was not brought about by the Department, by the Water System's plans. Their plans were straight forward that the city needed a water supply, and they had found a place to get it, and they went and got it.

Erie: Bob, wasn't there a conflict of interest on the part of at least one individual, a fellow by the name of Moses Sherman, who was part of the San Fernando Valley Land Syndicate ...

Phillips: Yes, there was ...

Erie: ... served at that time, I think they were called Public Service Commissioners, you know, the Department's been renamed. But I think there's one individual; he was not a member of the Department but he did serve on the Board.

Phillips: He served on the Board and he probably did not contribute to this whole debacle at all. That is, he did contribute to the debacle, but he certainly did not represent the attitudes and the goals of the people who were actually planning and running the Water Bureau at that time. However, this put a black cloud on the whole thing. There were others, and I don't know exactly what their motivation was who fought it on general grounds. Of course there was the antagonism of private power interests, who fought the whole thing. Although that mostly developed in later years, shortly after the Aqueduct was built, as I recall. [End Tape 1, Side A]

Erie: OK, we're fine, we're on band two and were talking about L.A.'s method of securing the water rights in the Owens River Valley.

Phillips: The people that were planning the Aqueduct and taking the initial steps to acquire the water supply in the Owens Valley foresaw that the minute that they went up there openly and started negotiating for water rights the greed that was being demonstrated at the southern end of the system would also be demonstrated at the northern end. The Owens Valley was never a high class agricultural area, despite what

may have been touted about it in a number of different quarters. A 1921 soil survey conducted by the federal government came to the conclusion that while there were some

desirable agricultural lands in the Bishop area, they were not extensive ... [phone rings] and that other factors minimized the value of the agricultural activity in the area, for example the short growing season, the high winds, the danger of late frost. These all interfered with first class agricultural production. The conclusion of the soil survey people for the federal government was that the primary value of the Owens Valley was for grazing cattle, that some alfalfa or some fruit might be raised, but that the Owens Valley primarily should be considered cattle grazing, cattle country, which is what it's been through the years and still is.

So these people were not doing all that well, they had no outlet other than a dirt road to their principle market, which was Los Angeles. They had a narrow gauge railroad outlet north through Sparks, Nevada, again a long distance and a long haul. Most of their market was internal. So they were not in a real healthy situation. The mines kept them going somewhat, but they were petering out. So the possibility of somebody coming in and buying up their land for a vital water supply would have been too much to resist. The planners of the Aqueduct could see the prices escalating rapidly.

Another factor was that the filing for water rights in the Owens Valley would not have to be made and was not made at a location that would involve the higher agricultural areas, the better agricultural areas in Bishop and Big Pine. It was the south end of the Valley which was highly alkaline and even less productive land that would be affected.

Erie: Bob, was there not also a financial constraint that the city ultimately faced in terms of how much it could spend to get the water options and the water rights relative to the financing of the Aqueduct? Now the original purchase of the options was by private parties, and then there was reimbursement by the city. But as I understand it there was a very low bond ceiling that affected all of these negotiations.

Phillips: That's correct. After all, the city at this time was something on the order of 200,000 people. It had been growing rapidly. It had been spending money to expand its meager Water System ... to develop its meager Water System, locally. So it didn't have a lot of money to be spending on acquiring water rights.

Unbeknownst to a lot of people ... Fred Eaton, who was allegedly the city's pawn in this operation actually went to the Owens Valley as early as 1893 and started purchasing land in his own name. In 1893, an aqueduct had not even been thought of up there. The city was not even looking seriously any place for water because in 1893 the population was far less than the 200,000 it was in 1904. So Fred Eaton, long before the city came around, had lands in the Owens Valley, had started a cattle operation, and meanwhile was monitoring the water situation in Los Angeles closely. And the minute that he saw that Los Angeles was getting desperate after he'd been there nearly ten years, that is in the Owens Valley nearly ten years, he went to Mulholland and popped his plan, his proposal.

Erie: Wasn't there an Eaton proposal on the table to do it privately rather than publicly?

Phillips: That's right. Eaton's first proposal was indeed to share in this bonanza with the City of Los Angeles. He envisioned a joint venture where he had the lands that controlled the water rights and would continue to acquire them and that he and the city would participate in this in a plan where he would get part of the water to sell and the city would get something on the order of 200 cubic feet per second for its purpose and Fred Eaton would become a millionaire and the City of Los Angeles would have a water supply that was really not as big as they were looking for. So there was a lot of intrigue and there's been an awful lot of misconstruction of what went on and imagining of what went on, and I am convinced in my own mind, and this is based on having talked with a lot of people in the Owens Valley who were involved in those things at that time that a lot of the trouble came not from within the Owens Valley or from people within the city organizations but from agitators in the city and elsewhere who saw an opportunity to upset the apple cart so to speak. And it is entirely likely that this stemmed from the power interests rather than the water interests.

Erie: But you don't have proof of that, Bob, that's just a surmise?

Phillips: That's just a surmise, but I can't overemphasize the point that I personally talked to many, many people ... they were friends of mine who lived through that period. I was a young man and they were older men, but many, many of the older people when I first went up there as a young man, not as a boy, told me that the City of Los Angeles was actually the best thing that ever happened to the Valley because they were hanging on with one hand trying to keep going and they weren't doing very well at it.

Erie: Bob, maybe you'd want to fast-forward to the period after the construction of the Aqueduct in terms of the Department's dealings, for example its land purchase program and lease-back program of the 1920s and the 1930s having to do with what the Department was attempting to do to better life, at the same time to protect its rights ... its water claims in the Valley.

Phillips: It's been pretty well documented. The years immediately following the completion of the Aqueduct were fairly tranquil. The Aqueduct did divert from below where the Bishop-Big Pine area where most of the major farming was. It diverted water out of the Owens River. It still did not require the full capacity of the Aqueduct and it did not divert the full capacity of the Aqueduct, contrary to what some people have said, until much later. So there was no serious reflection on the main farming interests in the Owens Valley and the water supply situation in Los Angeles was satisfied and things went along fairly well. There was the beginning of the power controversy, but that really didn't impact on the Owens Valley situation.

One of the main issues that aggravated the people in the Owens Valley more and more was the price that was being paid for the lands by the City in the Bishop-Big Pine area ...

Erie: Now, Bob, why did the City turn to land purchase, rather than just water rights. In other words, it purchased the water rights, I know, initially, but not necessarily much of the land. Then there was a land purchasing program that came on a little bit later. Did it not?

Phillips: Well, they originally purchased land in the South end of the Valley... riparian lands on the Owens River and riparian lands that were creeks that were tributaries of the Owens river. That's where the main thrust was at first and it involved both land and water purchase, because of the riparian rights involved, particularly in the Manzanar area, for example. Later on, there were some games played by some people in the Owens Valley. They began to use large quantities of water and there were some low run-off periods that aggravated the city's water supply because there just wasn't enough water reaching the intake of the Aqueduct to satisfy its needs, which were growing rather rapidly.

The unhappiness in the Owens Valley wasn't because the city was taking their lands and water, it was because the city wouldn't take their lands and water at a price they thought was fair. They wanted out. And they did what they could to harass the city, both by diverting as much water as they could above the intake, and by such things as taking charge of the Alabama gates and diverting water into the Owens River and Owens Lake. The issue here was the price of the lands. People wanted to sell to the city. They wanted out. And the city, in order to purchase the water had to purchase the lands. The people would not sell their water without the land, because the lands would be ... useless without the water. So the city had to purchase both the lands and the water. In some cases, what they purchased was the rights in ditches that were built by local ditch companies particularly in the Bishop area but also in Big Pine. They purchased the ditch rights and acquired the rights that way, but even so they had to purchase the farmers lands that were on the ditch. They acquired the water as ditch rights and they acquired the lands because they couldn't purchase the ditch rights without purchasing the lands from the farmer who had a share in the ditch, if you see what I mean.

Erie: Son of a ditch!

Phillips: That's really what happened. The city paid a very good price, really, for the land and that again is from my personal knowledge and conversations with people who actually sold their water and their lands to the city ... Again, they were men in their sixties and seventies and I was a man in my twenties and early thirties, but still the exchange was honest and unforced on their part.

Erie: Bob, the city ultimately purchased how many acres in the Owens Valley, approximately?

Phillips: The purchase of lands in the Owens Valley has gone on at a much slower rate, of course. Up until as recently as two years ago, a large ranch was purchased. At the present time, they own a total -- in both Inyo and Mono counties, that would be Owens

Valley, Long Valley, and the Mono Basin -- of 307,000 acres. About 260,000 of that is Owens Valley land and the rest of it is Long Valley and Mono Basin land.

Following the purchase of most of the lands in the Owens Valley, or in the Bishop-Big Pine area, and this happened in the late 20s and through the 30s; there were large, large purchases of land through the 1930s. In virtually every case, the lands purchased anywhere in the Owens Valley were leased immediately back to the people from whom the land had been purchased if the people wanted to lease the land and continue in the cattle business. That was done. There are still families in the Owens Valley who are operating large cattle ranches in the Owens Valley and they are descendants of people who sold the land, the children and the grandchildren of the people who sold the land to the city are still operating successful cattle ranches in the Valley.

Erie: Do you know how those land prices were determined? How market value was determined? Did the Department bring in appraisers?

Phillips: There were appraisals made. I can't say much more than that, because I don't recall who came in, but an independent appraiser was used in making those purchases. And I think in general the city paid somewhat above the appraiser's valuation.

Erie: That's what I understand, particularly in the first years of the Depression.

Phillips: The city really leaned over backwards to treat the people well, and most of the people up there agreed that they were treated well. Right after the purchase of all the ranch land, the business people in the Valley became very apprehensive that ranching farming would stop, that there would be no industry in the Valley at all and that they would lose their business, that they would go broke with their businesses. And they petitioned the city to purchase the businesses. And again, the city had appraisals made and began purchasing up not only the business properties, but where people wanted to sell their residences, the city bought those. That went on over a period of years, again through the middle and late 1930s, primarily. And that's where the, what you mentioned, the so-called reparations were made.

Erie: I'm not sure that's the appropriate term, because it does have a very negative connotation ...

Phillips: Yes it does ... That's the term that was used.

The people said, well look, you can't purchase these lands at today's rates, we've just been through a horrible depression, we're still in it and values are depressed. And the city said, "OK, we'll have a study made and adjust the prices if it seems necessary." And they did do that and they arrived in each community, Bishop, Big Pine, Independence and Lone Pine at a percentage by which their original prices would be changed. In one case, I think it was Lone Pine, there was no change. In the case of Bishop, Big Pine, and Independence there was substantial change, it was as high as 30 or 40 percent increase in

the prices and the people were satisfied.

And again, if the people wanted to keep their business, the city leased the business right back to the same people who stayed in business. And if the people wanted to keep their homes, the city rented the house right back to the same people from whom it had bought the house.

Erie: Bob, what was the length of the leases?

Phillips: The leases were for five years.

Erie: And why five years?

Phillips: Five years was set forth in the City Charter. The Department was not to lease or rent any property for more than five years without the consent of the City Council. And this imposed ridiculous complication on the process, so they just wrote leases for five years every five years. And people came to understand that the five year limitation was, to my knowledge, never activated. They were just activated every five years routinely. And as I say, the businesses and the homes were leased or rented back to the same people to pursue their same activity. Most of them did and very successfully. Because, by that time, the impact of the city's improvements in the Owens Valley, and I don't mean the Aqueduct, I mean in connection with the construction of the Aqueduct, the city built a broad-gauge railroad from Mojave to Lone Pine to connect with the narrow gauge railroad. So for the first time the Owens Valley had rail service to ship any products it had, including ranch products out of the city to Los Angeles. The City used its influence with the State of California to have the highway paved from Mojave to the Owens Valley, and that was done. So access to the Owens Valley because of the City's work, in its own behalf obviously, but still it was there and available to anybody that wanted to use it, both the railroad and the highway. The city built power plants in connection with the construction of the Aqueduct, and those plants for a long time provided power to the Owens Valley, which didn't have it before the City came in there with the Aqueduct construction. So there were a lot of benefits that occurred that, in my readings and listening to too many people that have no idea that those things happened or don't wish to admit that those things happened.

To continue on this train of thought, interestingly, in the 1940s, about the time that I began to work up there (actually, I first worked up there in 1933 in the summer), I worked in the Owens Valley again for the Division of Highways in the Summers of 1937 and 38, so I was ... making a lot of friends and gaining a lot of personal knowledge about what was going on. In the 1940s, people began to say "Well, gee, I'm doing fine, and we hate these five year leases and we don't know what's going to happen, maybe we could buy back these leases from the City." And the City said, "Sure." And they brought in a group of outside appraisers, who made ... the Schmutz-Mason Appraisal Report, which I worked on a little bit, to evaluate all the residential and business properties in the city, put a price on them, catalogue them all, and began having sales. Initially they sold them

essentially to the highest bidder and by negotiated sales anyway, preferably by the people who occupied the place. And that went well, everybody was happy. Then somebody discovered that there was something in the Charter that prohibited such negotiated sales ... you had to sell it at auction, and that didn't sit quite so well, but the prices obtained for the properties went up quite a bit. But all that went well and at this point the town's business properties and residence properties are almost entirely back in private hands.

And the City, through the years, has cooperated with the Department of Fish and Game to do enhancement work when Long Valley Dam was built and stopped the flow of the Owens River, well not Long Valley Dam so much as the Owens Gorge power plants, to put the flow of the Owens River below the Long Valley Dam through Power System pen-stocks instead of down the river and it actually dried up the river, except for a few springs that were in the river. And in lieu of a fish ladder at Long Valley Dam, the City built a fish hatchery at Long Valley ... the Hot Creek Fish Hatchery, built by the City and given to the State Department of Fish and Game. The City keeps all of its lands -- well, requires in all of its leases to the cattlemen -- that not more than 25% of the land be restricted to entry by fishermen, sight-seers, naturalists, or whatever. 75% of the City's lands, in other words, are open for fishing, hunting and arrowhead hunting, naturalist exploration, or whatever. There are many, many things that have been done to ... we leased campgrounds to the county at minimal prices ... you know, a dollar a year. And the county developed the campgrounds.

Erie: Bob, how do you respond to the charge that the City and the Department had behaved very much like an enlightened imperial power, with the colony in the Owens Valley? That its policies with respect to the purchase and lease-back of land were designed to promote certain kinds of industries, to wit tourism and agriculture, that would ultimately not threaten the long term water rights of the city? That this was really, right, the self-interest of the city to behave in this way to protect its water rights and that it was essentially a colonial relationship?

Phillips: What do you mean by an "enlightened ... 11

Erie: "Enlightened" meaning that they were willing to pay above market. .. because they had a longer term interest which was to perfect the water rights, that that was really the force driving the City, and not the well-being of the residents of the Owens Valley. There are those that have made that argument. The way that England, for example, dealt with India as a colonial power.

Phillips: I don't entirely agree with that because the City did things that were in the interest of the local people.

Erie: But were they also in the interest of the city?

Phillips: Yes, definitely.