

## Agriculture by Cynthia Parsons

### Compromise on U.S. water

*Higher irrigation costs and lack of a development push characterize the new reclamation act.*

**T**he final form of the legislation to amend the 1902 Bureau of Reclamation Act that President Reagan signed into law Oct. 7, rather than setting any long-range water development policy, is a compromise between the needs of farmers, and the industry-wrecking policies of the free-market proponents and the environmentalists. As the National Grange asserted about the reform, it violates the intent of the original legislation by putting greater economic pressure on the family farm, rather than assuring its capability to produce.

Title II of the amendment changes the amount of land an individual farmer or small corporation owns that is eligible for federally subsidized irrigation from 160 acres to 960 acres. Corporations with 25 or more shareholders are limited to 640 acres. The same regulations apply to leased land. For use of water from federal projects for any acreage over these amounts, the farmer will pay "full cost."

Despite the nominal expansion of acreage eligible for subsidized irrigation, the law actually, for the first time since the Bureau of Reclamation was established, limits the size of eligible farms. The 1902 law, established for what was at the time a good-sized farm, was over its 80-year history re-interpreted and ultimately not enforced, to allow farmers to expand their irrigated acreage.

This policy, in conjunction with such massive water-development projects as the Hoover Dam, made the productivity of California's Imperial

Valley possible. That area supplies 50 percent of American fruit and vegetables.

The number of farms over 960 acres is small, only 3 percent, but these farms are concentrated in California. Ninety percent of the over-960-acre farms are family-owned and-operated.

Although the Interior Department was willing to continue non-enforcement of the 1902 law, the environmentalist group, Land for the People, won a suit in the Supreme Court in 1977, to force strict interpretation of the law. Congress was eventually forced to amend the law, to prevent the destruction of all support for large-scale agriculture. But the opportunity was not taken to introduce any long-range water development policy. Organizations such as the National Water Resources Council, the Grange, and the Farm Bureau compromised with environmentalist and free-market advocates.

"I agree with you, a water resources Council spokesman told *EIR* when reached for comment Nov. 1. "We should have fought for much more. But under Carter we had nothing. At least now we have something."

But this bill, although it appears benign at present, could do a great deal of harm. For the next four years farmers who have long-term contracts with the Bureau of Reclamation will be able to keep them, and only new contracts will come under the amended regulations. But then, all existing contracts will have to be renegotiated.

This will hit the farmers in two

ways. First, contracts are set on the basis of current interest rates. This means that farmers who contracted for water over 20-year periods will face a large increase in the cost of their water, even if it is subsidized. Worse, there is now a demand to abolish all long-term contracts, and review them all on an annual basis, to prevent "unfair" pro-rating of water costs. Under the old law, short-term or new users paid higher rates to make up for "losses" due to lower rates for longer-term users within a district.

Charges to users are based on original construction cost and maintenance of the water project. The farmer pays interest, up to the current 13.5 percent, based on his acreage.

Lack of cheap water will affect both crop abundance and variety. Senator Lugar of the House Water and Power Sub-Committee defended the new bill to *EIR* in an interview Oct. 28, stating, "In our free-market system, rather than tell the farmer what to grow, we are telling him how much subsidy he gets, and to let economics, not the government, determine how much land will be irrigated and what crops to grow."

But lack of water will rapidly reduce the fertility of the soil, because reduced irrigation means that mineral salt deposits will not be flushed from the soil. And many crops, such as lettuce and soybeans, which can be produced as second crops because they require only a short growing season, will not be profitable for farmers when water costs rise.

With next to nothing appropriated for actual water resource development in this bill—Title I allows only \$106.7 million for the improvement of the Buffalo Bill Dam in Wyoming—the ultimate effect of this "reform" will be to diminish water resources vital for American agriculture.