

## MEET THE SPEAKERS

### PANEL DISCUSSION

Don Frederick is the Santa Fe bureau chief for the El Paso Times. He has covered news events such as the El Paso water suit and the Santa Fe prison riot. He also covers the New Mexico state legislature and the governor's office. He has been a reporter for the Santa Fe New Mexican and the Grand Junction Daily Sentinel. He is originally from Washington D.C. and is a graduate of Northwestern University in Evanston, Ill.

Harrison "Jack" Schmitt is a U.S. senator from New Mexico. In 1972 he was the lunar module pilot for Apollo 17 and the only geologist in the space program. He later was the organizer and director of NASA's varied energy programs. As senator, he serves on several senate committees and subcommittees including appropriations, interior, and energy and water development. He is the recipient of numerous professional and academic awards including the NASA Distinguished Service Medal, the Arthur S. Fleming Award and three honorary doctorate degrees. He is a graduate of California Institute of Technology and Harvard University. He also studied under a Fulbright Scholarship at the University of Oslo, Norway.

Hugh G. Robinson is a Major General and the division engineer for the Southwestern Division of the U.S. Army Corps of Engineers. He is responsible for the corps' water resources development activities in all or part of eight states including New Mexico. Previously, he was the deputy director of the Civil Works Directorate in the Office of the Chief of Engineers in Washington D.C. There, he was the principal assistant to the Director of Civil Works in managing the corps' water resources development program. He is a West Point graduate and has a master's degree from the Massachusetts Institute of Technology.

Garrey Carruthers is assistant secretary for Land and Water Resources, Department of the Interior. He previously was acting director of the New Mexico Water Resources Research Institute and a White House

Fellow and Special Assistant to the Secretary of Agriculture. His research service includes membership on several committees including the Western Agricultural Research Council, the Eisenhower Consortium and the Western Agricultural Economics Association Committee on State Agricultural Experiment Stations. He holds degrees from Iowa State University and NMSU.

John Hernandez is deputy administrator of the Environmental Protection Agency. His wide ranging administrative experience includes positions as dean of engineering at NMSU, acting co-director of the New Mexico Environmental Institute and director of the Environmental Health Engineering Program at NMSU. He also has served on several advisory committees dealing with the environment. He holds degrees from Harvard University, Purdue University and the University of New Mexico.

Harold Brayman is assistant staff director of the Senate Committee on Environmental and Public Works. For the past 13 years, he has worked closely in a number of legislative areas including air, water and solid waste pollution control and most significantly, the federal water resources development program. A graduate of Princeton University, the London School of Economics, and the Columbia University School of Journalism, Brayman wrote for The National Observer newspaper before coming to the Senate in 1969.

Steve Reynolds is the New Mexico State Engineer. He holds several state offices including secretary of the New Mexico Interstate Stream Commission, New Mexico commissioner of the Rio Grande Compact Commission and New Mexico administrator of the Water-Resources-Planning Program. He is a member of some 17 advisory committees mostly dealing with water issues. He has received numerous service awards including the Distinguished Public Service Award, the Conservation Service Award and the J.F. Zimmerman Award for Outstanding Achievement and Unselfish Service to the State of New Mexico and the Nation. He is a University of New Mexico graduate.

## THE FUTURE OF HIGH PLAINS AGRICULTURE\*

Harrison Schmitt  
U.S. Senator, New Mexico

The productivity of the farmers and related businesses in the High Plains area of the United States is unparalleled in the history of agriculture. From what was once wasteland with isolated dry land farming activity, there has been created a literal breadbasket for Americans and for the world.

But dark clouds are visible on the horizon. The lack of a coordinated multi-state approach to the mining of the water resource that has made High Plains agriculture what it is, has set the stage for disaster for the farms and the communities of this region. Unless there is a coordinated application of efficient water use, unless there is equitable water allocation, and unless there is a stronger High Plains agricultural research effort, then vast economic restructuring in an eight-state region will be necessary.

However, there are still many attractive options left to us to stabilize the agricultural economy of the High Plains. New Federalism, a spirit that is hopefully sweeping our land, is the principal hope for the High Plains agricultural community. Current federal conservation programs must be reshaped to emphasize local priorities and give local and state governmental entities more authority to deal with problems unique to their areas. The farmer and the rancher should be in charge of their destinies.

The answer to the problems we face is additional control by farmers and new federal policies that assist and do not hinder conservation and agricultural research.

The lesson of 50 years of organized attention to conservation is that local people know best what should be done. When you here in the High

\*Senator Schmitt was unable to attend the conference, but sent his prepared talk for inclusion in the proceedings.

Plains decide on what is most cost-effective and what serves your needs the best, then the federal government should support you in your efforts: efforts directed locally at conservation; efforts supported nationally by agricultural research.

No amount of federal, state or local assistance will suffice in solving the problems of the High Plains if you, the farmer-consumer, do not take responsibility for your own future.

The combination of private and public research and technology efforts which allowed the expansion of ground-water exploitation that made the High Plains what it is today, must now be focused to produce a modern and wise use of this water resource. The principal components of the technological solution will be a more efficient use of existing fresh water, improved crop varieties that use less water and can withstand more low quality water and desalinization technologies that can provide new sources of water to augment or replace that lost in the High Plains.

The U.S. Department of Agriculture to some extent has begun to place a greater emphasis on watershed problems and soil loss. Federal government funding for research on the use and improvement of soil and water, including watershed regulations, has increased from \$51 million in 1981 to \$55 million in 1982, to a proposed \$64 million in 1983.

In spite of this increase there still appears to be no comprehensive understanding by this administration or any previous administration of just how important science and technology are to the future of agriculture and to the United States as a whole. The United States must move rapidly to regain its dominance in world agricultural markets, not only for the betterment of the United States' economy, but also to have a peaceful weapon to counter the Soviet threat of military domination of the planet. My recent exposure to briefings on the military threat now presented by the Soviet Union has convinced me that we must use effective world-wide trade embargos to force the Soviets to dismantle their ever-expanding military industrial complex.

More specifically, with respect to the federal role of coordinating and cooperating with private, state and local agricultural activities, we must see an increase in emphasis both in research and in implementation

in the following areas:

1. drip and sub-irrigation systems;
2. low pressure centerpoint irrigation;
3. low-till and no-till farming practices;
4. laser-leveling;
5. infra-red thermometry;
6. less water intensive crops;
7. water harvesting, wherever such harvesting may be possible to increase run-off;
8. general water-saving techniques, particularly where flood-irrigation is still required;
9. more efficient irrigation scheduling, including far better long-term rainfall forecasting; and
10. more efficient pumping and improved crop varieties, specifically adaptable to the High Plains area.

Energy supply and price, of course, will be a major factor in the viability of High Plains agriculture. It is still my belief that the only way we are going to assure reasonable energy prices and a guaranteed supply of energy resources, is through full deregulation of our energy economy, retaining the government as a referee of that economy but not as its manager. The proof of the pudding has recently been shown again in the effect of the decontrol of crude oil prices. Steadily dropping gasoline prices at the pump should make it clear to everyone just how positive the effect of decontrol of energy prices can be.

A greater use of tax incentives for increased water conservation should be explored. In that context, I am a co-sponsor of S-569, the Soil and Water Conservation Incentives Act of 1981. This bill would allow farmers and ranchers to take a 10 percent investment tax credit for the cost of conservation efforts related to their land. An investment for credit such as this would encourage more farmers to install and maintain conservation practices on crop land with serious erosion problems. Under a 10 percent investment tax credit program each dollar on federal tax not paid would reflect a ten-dollar private investment in

conservation practices, this, yielding a five-fold increase in the purchasing power of the federal conservation investment.

According to estimates by the Congressional Joint Committee on Taxation, conservation tax credit utilization is projected to reach \$120 million in five years. This would represent more than \$1 billion in private sector investments and conservation activities. Incentives offered by such a tax program over the five-year period would go a long way toward solving erosion and conservation problems.

In summary, the essence of the future High Plains agriculture is in cooperation and assistance; cooperation between all interested parties: private, local, state and federal government, and assistance by the federal government wherever such assistance can be most effective in encouraging responsible agricultural activity.

We must all pull together if we are going to assure the long-range viability of High Plains agriculture. If we do not work together, then we will soon see a concerted effort for the federal government to begin to take control of the allocation of the water resources of the aquifer. Whenever the government tries to allocate scarce resources, history clearly shows that what starts out as a minor inconvenience ends up as an exacerbation of shortages. The gas lines to which we were exposed during the Arab oil embargo were made far worse by the heavy-handed attempts of government to allocate a scarce resource. The gas lines that were induced by government allocations will seem a minor inconvenience to the people of the High Plains when you have to line up with water buckets.

Finally, as we look to the future of ground water resources that are truly interstate in nature, it may be necessary to develop a whole new scheme of national water law which recognizes the interstate nature of water allocation problems. One idea I am studying is the development of water compact law applicable to interstate ground water resources such as the Ogallala Aquifer. Such a water compact law could be modeled after that which is used to allocate interstate surface water resources. Any thoughts that attendees at this conference and other interested persons may have on the concept of interstate ground water compact law would be much appreciated.

Congress needs your help and ideas; let's get started now while we still have real options left.

## PANEL DISCUSSION

Maj. Gen. Robinson:

I want to make just three points before we get into the rest of the panel and the question and answer period. First, I would like to second what Darrell Webber said about the Bureau of Reclamation with respect to projects. I think the great amount of misinformation that the general public acts on with respect to water resource projects is unfortunate. The acronym that they use all the time that refers to water resources projects I can't even repeat, but certainly we talk about pork barrel that gets everybody's back up a little bit when we are talking about water resource projects. Our projects, much like the bureau, pay for themselves many times over. If you're talking water supply and hydropower, 100 percent of that cost is recovered over the life of a project. In navigation, the federal government pays for most of the projects, but experience has shown that the tax returns and the increase in the nation's economic base are sufficient many times over to justify the cost of the navigational projects that are being built. And every one of those projects has far exceeded its expected growth and life. Some are still growing because they are still in the growing stage. With respect to flood control, local interests carry about 30 percent on the average across the nation for flood control projects. Flood control projects have prevented three times the cost of those projects already and that's a major savings to the national interest because the federal government is involved. Federal insurance, as



you know, is involved in cost recovery and provides assistance to those who suffer from floods. And the more we can prevent, of course, the fewer dollars have to go out from the federal government. And finally, of course, half the recreation cost is paid for by the nonfederal sponsors. So I think we are very proud of the fact that we do have projects that produce meaningful results for the nation and for the region that we serve.

Let me talk a little bit about the High Plains study. I know the response to the questionnaires shows something on the order of 59 percent who wanted to pursue water importation, and of the farmers who replied, more than three-fourths of them said we should pursue water importation. There are a couple things that need to be understood about the water importation problem. One is we have not really identified the exact amounts that are available at the source. And if you go and talk to the source states, they'll tell you no water is available. So there is a question there with respect to coordination with those states. Certainly, one of the first things that must be done with respect to that water importation study is to go and talk to the states and try to figure out if there are in fact some flood waters, some damaging flood waters, that can be skimmed off the top or at the source and then transferred out to the west as needed. So the availability of water from the source states is a real question mark. I guess, along with that you must ask the question: Are all the purposes for which that water is now used

superior to providing water to the High Plains for agriculture? That's a matter of what's in the national interest. If you ask the region a question, each region will, of course, report whatever is going on in that region. But I think the nutshell question is: Should we, as a nation, support, for agricultural purposes, the continued type of agriculture that exists for the High Plains region? And that's a policy question that somebody is going to have to answer before we can do anything about importation of water east to west. Certainly, as you can see, the cost of the program is so great that some federal assistance will be required if water importation to the High Plains ever is to become a reality.

Now, what kind of cost sharing are you going to have for that type of a project? That's really a good question and I think it is another national policy issue that must be addressed. Some would say some of the purposes for water now being used at the source points are not really economical purposes and perhaps some of those purposes could be canceled. And we could look at that water as available for importation. That's a very dynamic question which nobody has addressed at this point. The key, I think, is that we are only in a reconnaissance phase of study. It is just a very preliminary study. All of those factors that Bill Pearson pointed out to you must be looked at in considerable detail before we can consider water importation to the High Plains region. Since the title of this panel discussion is "the view from here," let me go on to the one

policy issue I think is important to all water resources planners, development agencies, and everyone on this panel, and that is: What is the long term national interest in water resource development projects? Clearly the Reagan administration is emphasizing cooperation with the states and local entities, and I think that's an important aspect of this water resources development program. We always have carried on a dialogue with local interests and with the states where we have presented those programs and have gotten support as an integral part of any program we've pursued in the Corps of Engineers. But we have never involved the states to the extent that the Reagan administration is suggesting. I believe that is a positive measure that needs to be pursued at great lengths. I already have held two state coordination meetings at my headquarters in Dallas for all of the states within the southwest region division. We hoped that would introduce a clear sense of priorities and, at least for short term purposes, a clear sense of a state or a local sponsor's willingness to pay and to help in the initiation of those projects.

That really brings me to the point that bothers me the most. When we talk to you, as states and as local interests, we would like to be able to talk to you in a very positive way and say: Here is what the federal involvement is going to be. We're unable to do that today. And we're unable to do that for a lot of reasons. One is our short term budget problem which must be solved.

So we don't know exactly how much money the federal government is going to be able to put up for new water resource development programs. In the Corps of Engineers we now have a program for fiscal year 1983 for potential new construction starts in which we've gone out and talked to the local interests and said, in essence: How much money would you put up to help us start construction projects? And we have a suggestion. We are suggesting that for water supply and hydropower they put up 100 percent up front. That's pretty heavy. We suggest for navigation they put up 75 percent; for flood control, 35 percent; and for recreation, 50 percent. Now we tried those figures out on 13 project sponsors who were looking for new starts for fiscal year 1983 and the success rate was not overwhelming. It was not overwhelming because, like the federal government, states also have their budget problems and they budget well ahead for the types of projects they think are appropriate for their state. We kind of switched horses on them in midstream and asked them to come up with some money they did not expect they would have to come up with. Obviously in order to participate, they have to go back and reshuffle their programs. That's very tough in the short term. So we did not get overwhelming response, and we are not yet sure how that program is going to come out. But we do know this, that in the long term we need to be able to go to the project sponsors and to the states and say here's the extent of the federal involvement as we see it today. What is the federal interest

in the various project purposes? I still believe that question is relevant to talk about a little bit. It's a very important question. It's important to you and it's important to us as a water resource development agency. We need to be able to speak with some authority when we talk to you about your developmental projects. We hope the administration very quickly will put forth its view on water resources development and the federal interest in it. We also hope Congress then will act so that we're not caught between Congress and the administration. And we, in fact, speak with one voice when we come to talk to you about project purposes and how we should proceed. That, as I see it, is the principle issue that exists today in the water policy arena.

I'll just simply close by telling you a little story about Darrell. When Darrell took over as the regional director of the Bureau of Reclamation, his predecessor had left him three envelopes in the center desk drawer. The instructions on the three envelopes read: If you get in trouble open these three envelopes for help. Darrell hadn't been there a week when he got into trouble, so he opened the first envelope and it said, "Cut the budget." So Darrell cut the budget and sure enough that worked. Things went OK for about three or four weeks and then he got into trouble again. He opened the next envelope and it said, "Reorganize." So he reorganized and that worked. But I understand that Darrell is digging a hole for himself out there. So he's going to have to turn to that

third envelope pretty quickly. I'll tell you what it says, "Prepare three envelopes."

Don Frederick: I'm sure Representative Pattison might have something to say about the state budget, but first we'll hear from Garrey Carruthers of the Interior Department.

Garrey Carruthers: Thank you very much, Don. It's good to be back in New Mexico. I've gone through the three envelopes and that's why I'm back.

My mission today is to confirm the rumor that Tom Bahr is promoting, personally promoting, that he will be the new director of the Office of Water Policy in the Department of the Interior. When you deal with water policy, you must have the best and the best water folks are from New Mexico. I nominated Dr. Tom Bahr of New Mexico to Secretary Watt of the interior to head up our new Office of Water Policy. Tom said that if I didn't get anything else into my three minutes, I had to get that in. We're looking forward to having Tom come back if he can pass the full field FBI investigation. The Office of Water Policy will function in liaison with all the states, searching out ideas from them with regard to desired Department of the Interior water policy. We have in the Department of the Interior, five bureaus that have something to say about water policy. Many think the Bureau of Reclamation is the only one that deals with water. But we have to coordinate a water policy for the Fish and Wildlife Service, the Park

Service, the Bureau of Land Management, the Bureau of Reclamation, and the Bureau of Indian Affairs. Imagine what it's like to put all those people in the same arena and try to formulate a single Department of the Interior water policy. Tom will have an exciting one year working in the department. I work for Jim Watt, the somewhat inhibited secretary of the interior. We run a quiet, laid back little operation on the banks of the Potomac. Perhaps you haven't heard of our activities. Let me just advise you at least of some water policy concerns. The president, President Reagan, and Secretary Watt are very pro water development. The president is from California and some of the best water projects in the country have been built there. Secretary Watt is from Wyoming and Colorado, and he too appreciates the value of agriculture and water resources. So we are committed. The president is on record, the secretary is on record, I'm on record as wanting to do something positive in water development. We're committed to new starts. The president has indicated, and OMB has set aside in the back of their minds, \$48 million in the 1983 budget for the Corps of Engineers, the Soil Conservation Service and the Bureau of Reclamation to begin some new water projects. The president and Secretary Watt have recommended that the Bureau of Reclamation budget be increased by more than 20 percent. The corps budget also is in good shape regarding the kinds of water projects you're talking about in New Mexico. Most of the budgeting damage to the corps was in navigation, and that was because the

corps anticipates recovering more fees from the states and from users. The Bureau of Reclamation has done that for years and, therefore, it is not reflected in their budget. There are several policy issues in the Department of the Interior I think are of significance to the High Plains area. The first one, which you should be aware of and you should work on right away, is the new Principles and Guidelines for planning water projects. You may remember there were rules and regulations called Principles and Standards. We felt, in this administration, that the Principles and Standards were designed to keep us from ever developing another water project in this country. They were just too rigid. The secretary asked us, in his capacity as chairman of the Cabinet Council of Water Resources and Environment, to give him more flexible guidelines for corps, Soil Conservation Service, and Bureau of Reclamation projects. These new Principles and Guidelines are out for your comments. You need to read them and determine whether we've done the job -- please comment! Don't wait for everyone else to comment. Negative people always comment. Positive people often read it and say, "Ah, that's okay. Carruthers is doing good work up there. Let's just let it coast." If that occurs, you may discover our design may not fly.

In conjunction with the Corps of Engineers, we're changing the planning process. It used to take about 17 years to plan a project; we're trying to cut it to 7. And we think that is necessary. But the centerpiece of the Reagan water policy,



over the next seven years of the Reagan administration, will be cost sharing of water projects. That's really the central issue. The president, Secretary Watt and Secretary Gianelli all want to build projects, but we cannot build them under the old rules. We need new partners. We need these new partners and we're not fussy about who they are. We call them nonfederal, but we'd like for the private sector to become involved. There's no reason that the Corps of Engineers has to put all the money into a project. The hydropower unit on a corps project could belong to the private sector. Water is going to be such a scarce resource that in our cost sharing consideration, we are going to look more closely to the market to allocate services and to recover costs. As a result of our cost sharing deliberations, you can anticipate the cost of water services generated by the Corps of Engineers, the Soil Conservation Service and the Bureau of Reclamation will go up. The primary beneficiaries must pay more. One question that bothers people regarding the High Plains study is, "How much up front cash is required?" I am one of the proponents of not requiring up front financing by the nonfederal sector. I'm not sure I can win that policy issue, but I'll tell you why I feel that way. If the government requires up-front financing it discriminates against certain areas and certain states. Not every one is as rich as Baja, Oklahoma (Texas). Wyoming also is very wealthy. But other states are not in good financial condition, so repayment may be their only option. Many people in Washington now

believe that water really may be the energy crisis of the 1990s. So it's an exciting time for this New Mexican and I hope for my colleague, Tom Bahr, to be involved in this country's emerging water policy. Thank you for having me come here.

Don Frederick: I misspoke when I first introduced John Hernandez as from the New Mexico Environmental Improvement Division. In Washington it's the Environmental Protection Agency. From what I read there may be disputes about either type of agency.

John Hernandez: I have two really important issues to talk to you about today. The first one has to do with EPA's involvement in ground water management and the second with our responsibility for the management and operation of all the dams in the United States. I was in Philadelphia about a month and a half ago talking to the National Water Quality Planning meeting. At the meeting the president of the American Water Works Association, the people who essentially run the drinking water supply systems of America, chaired a question and answer session. One of the questions from the audience was, "What do you think should be done about those ground water basins in the United States where there is a progressive drawdown, or progressive depletion? I'm asking specifically about the Ogallala formation where there is a multi-state declining water resource that's resulting in a water quality change, and where the aquifer represents the sole source for drinking water out in that country." Having this

Easterner asking about the Ogallala surprised me somewhat. Someone there suggested that the best solution would be a federal law mandating legislative control over the Ogallala ground water system. When it became my turn to speak I said, "The last thing we feel we should have is federal legislation to control the ground waters of the United States."

The EPA has broad-sweeping legislative and regulatory authority over ground water. It comes out of three specific statutes. One of them is the Clean Water Act. The second one is the Resource Conservation and Recovery Act, the EPA solid waste management act. The third is the Safe Drinking Water Act that includes the underground injection control program and the sole-source aquifer program.

The combined effect of all of these laws is to control and limit pollution of our ground water resource. EPA does have a national ground water strategy. It is a dynamic, ongoing strategy. It has not yet been articulated in a concise fashion, nor has it been broadened to include all other federal agencies. We hope to do that in the not too distant future. Early in 1981, the EPA held meetings around the United States on the question of a national ground water strategy. I think the consensus out of those meetings -- although there were people on both sides on what ought to be done -- the consensus, in essence, forms the basis of what I think our program should be in the future. I think the basic

assumptions that we're going to work on are that it is impossible to protect ground water to the extent that no degradation will occur. Some degradation is part of the natural use of water, both surface and ground waters in the United States. Some degradation of quality will occur. EPA's job is to try to limit that degradation to what is reasonable. In addition, the cornerstones of our policy will be the following. First, EPA should consolidate all of its regulations that now deal with ground water protection into a single comprehensive set. Second, EPA should delegate the administration and enforcement of those regulations to state agencies in every case. EPA should help the states operate these programs by providing partial funding for them and by providing technical assistance through research. Third, EPA should help coordinate the data collection and monitoring that is done by state agencies, regional groups and various federal agencies. Fourth, EPA should act as a catalyst in the joint planning of the water resources use, but not be a direct intervenor in the process. Any ground water classification system developed should be absolutely a state prerogative; EPA should not dictate to the states on this issue. EPA should not require classification of ground waters by use or provide any kind of overall federal restriction outside those dealing with pollution control. Finally, we believe there is no need for additional federal legislation on this issue at this time.

Let me turn to the dams issue. It's probably the least known, least perceived problem, yet it is one that has the potential of being the single most important water resources issue that has come up in the last 10 years. On January 29, 1982, Judge Joyce Green rendered a decision in the National Wildlife Federation vs. Gorsuch. The issue was whether certain water quality problems arising below dams should be controlled by subjecting the discharge from dams to the NPDES permit system under Section 402 of the Clean Water Act. Under this section, EPA could require that permits be issued for the quality of the discharge from dams (water that comes over the spillway or through some kind of a release mechanism). Water from a channel or power structure would have to have an EPA water-quality permit to be released. In a sweeping opinion, Judge Green rejected EPA's long standing position that dams do not discharge pollutants into navigable waters. The court ordered the EPA: 1) to designate dams as point-source categories under the Clean Water Act; 2) to establish effluent limitations or regulators for performance standards for dams as a category rather than on a case by case basis; and 3) to monitor dams for the NPDES permit requirements. In addition, the court ordered that the EPA issue these regulations within 90 days, or by April 29th of this year. The implementations the courts ordered would require a major new permitting and rule making initiative by EPA. In particular, the agency would have to develop effluent guideline limitations for dams. In the

light of the fact that there are approximately two million dams, this would be a substantial undertaking. EPA would be required to take on this new responsibility which would be enormous in terms of point-source control.

Two other practical problems should be considered. Many states that have already assumed responsibility for the NPDES programs, permit programs, may not want jurisdiction over dams. State programs may be vulnerable to charges of being inadequate, both legislatively and financially. In addition, EPA may be required to take on the responsibility of preparing environmental impact statements on all new dams. The issue in this case is whether certain dam-related pollutant problems can be characterized by the discharge of pollutants. Section 502 of the Clean Water Act defines the discharge of pollutants to include any addition of any pollutant to a navigable water from any point source. Some of the particular problems identified by the National Wildlife Federation include the release of waters that are low in dissolved oxygen, high in dissolved metals, low in temperature or high in sediment load. There is also the creation of nitrogen supersaturation conditions in waters below a dam. The EPA argued in the case that several of the alleged pollutants identified by the Wildlife Federation were not really pollutants as defined under the Clean Water Act. In addition, the EPA argued that the situations described by the National Wildlife Federation did not actually add

pollutants to navigable waters, but rather allowed a pollutant problem arising in a reservoir to pass downstream. In rejecting these arguments, the court gave a very expansive interpretation to the NPDES permit program. First, the court concluded that Congress intended the NPDES permit program to have the broadest coverage possible. Second, the court concluded that the list of pollutants in the Clean Water Act was not an exclusive list of the kinds of pollutants that could be subject to permitting requirements. Third, the court concluded that a dam is not simply a physical structure that impounds water. Instead, the court accepted the Wildlife Federation's position that the discharge is from the dam-reservoir facility which includes that stretch of river above the dam that can be viewed as the dam's reservoir. Under this theory, the operator is responsible for pollution arising in a reservoir in the same way that a plant operator is responsible for pollution that occurs after passing through his wastewater treatment plant. I believe this decision could have the most fundamental and far reaching effects on the use of our natural resources. If allowed to stand, I believe the EPA will be in the position of not only setting permit requirements for all of the dams in the United States, but that these permit requirements will dictate how those dams are operated. An added impact will be how the water resources can be used in the future. I think this is a great problem and one that we hope to solve. EPA is going to appeal the case. However, I believe a

change in the Clean Water Act will be needed. I'll be very pleased to answer questions on this and other issues. Thank you very much.

Don Frederick:

When I mentioned that Mr. Brayman was a journalist before he went to work for the Senate Committee on Environment and Public Works, I didn't mean to imply that he made a mistake. He's a graduate of Princeton University and the London School of Economics so he's obviously overeducated to be a reporter.

Hal Brayman:

One other thing Don failed to mention was the fact that he and Hugh Robinson were born in the District of Columbia, as was I. I doubt a meeting has ever been held in Clovis where three of seven panelists were born in Washington, D.C.

You heard that Senator Schmitt could not be here because of weather conditions. Senator Domenici, with whom I work, also hoped to be here, but his eldest daughter is being married tomorrow.

One of the first things I learned at the knee of Steve Reynolds was "if it ain't broke, don't fix it." I think that applies to the whole issue of water policy. The program is generally, and always has been, ad hoc (without a general plan). The Reagan administration is seeking to kill off the water research program. It's trying to get out of the business of looking into desalination as a solution to some of our water problems. Then you have, whether you like it or not, the perception in much of the country that



the water program is pork barrel. Whether it is or not, is not the point. The point is that the perception exists, and unless we do something to change that, this program won't be revived. We have a perception among many members of Congress that few political benefits come from pushing water projects. There is a strong and vocal group of supporters of water projects, of which the two senators from this state are members. But in general we don't have that interest. We don't have that support the way we once did.

Let's assume a High Plains importation scheme exists -- we've done all the engineering, we've worked out an agreement with Arkansas, we've worked out an agreement with the states of South Dakota and Missouri to import some of their water. As much as it may be needed, I think that stage is still 10 to 15 years off. But even if the agreements existed now, I guarantee you would not see water brought to the state of New Mexico in this century. Now that's an outrageous situation. There must be some way to revive the water development program to bring the kind of benefits that are needed to Clovis, the state of New Mexico, and the west. I am absolutely convinced, and I think if you talk to a lot of people back in Washington you will find that they are convinced, that there must be some rather fundamental changes in this whole program before you will see the spending curve going back uphill. Budget constraints are not going to go away. President Reagan may indeed be successful in reviving the economy soon, but I think it's

unlikely that you're going to see any significant change in the amount of money going into water projects, or for that matter, public works in general. And I don't think you're going to find there are any partial solutions to the problem of water quality. You're not going to be able to deal with the question of reforming cost sharing without a commitment to new projects. Once you start reforms on an ad hoc basis, you're going to be cut alive. And I guess the thing that depresses me is the fact that I don't think anyone in Washington really has made up his mind that fundamental changes are necessary. Fundamental changes will turn this program around and make the program start working again. It's as if you have two Japanese sumo wrestlers: one is the Congress and one is the administration. These great huffing, snorting giants are just looking at each other and trying to figure out how in the world they are going to get the edge on each other in this wrestling match. While Garrey and others maybe disagree, that is my perception. The administration has not reached the conclusion that it must work with Congress on a broad reform package. And you have a lot of people in the Congress thinking that if we just wait this out maybe it will all go away and things will regenerate on their own.

I don't think either one of those things is going to happen. I believe, ultimately, Congress and the administration must get together to work on legislation in a package approach and to make some fundamental reforms in the way we select

projects, the way we prioritize them and the way we pay for them. When that happens you will see some significant benefits coming to the High Plains of New Mexico. Thank you.

Don Frederick:

Steve Reynolds. Give him a warm welcome. He has to deal with reporters way too much and he deserves a warm welcome just for that.

Steve Reynolds:

Thank you, Don. I could certainly spend the time from now till noon responding to these suggestions about cost sharing and discharge permits for dams, but I won't. I'm just pleased to recognize that General Robinson acknowledges that you're going to have to go to Congress to settle this cost sharing problem and John recognized that to take care of this dam permit problem, you're going to have to go to Congress. And I think we're pretty well represented there. I do want to come back to the High Plains study at least briefly before we close. I believe that study, which has been completed but not yet submitted to the Congress, is very useful. It should help us to understand, project, and hopefully enhance the future of the economy of eastern New Mexico. The data and information in that High Plains report lead to some remarkable conclusions. The report defines the baseline condition as the continuation of present trends in crop yields and irrigation efficiency improvements, without any specific incentives and actions to improve those trends. It's the "no action" alternative you saw on the questionnaire. Under this alternative the total

acreage irrigated from the Ogallala in the High Plains states will increase from 14 million acres in 1977 to 18 million acres in 2020. This net increase of about 4 million acres, incidentally, is due largely to a projected increase of about 6.8 million acres in Nebraska. But the value of agricultural production for the six-state High Plains region will increase from \$4.6 billion in 1977 to \$11.5 billion in 2020. Now the study makes clear that the ground water mining problem is not regionally uniform. In 1977 we were irrigating 440,000 acres in the High Plains of New Mexico and, under baseline conditions, that acreage by 2020 is projected to decline to 245,000 acres, just a little more than half of the 1977 acreage. Now the study also shows that dryland farming in New Mexico will increase from about 500,000 acres in 1977 to 730,000 acres in 2020. The value of agricultural production in the High Plains of New Mexico will increase from \$125 million annually in 1977 to \$220 million annually in 2020, an increase of 76 percent. The return to land and management will increase from \$25 million annually in 1977 to \$115 million in 2020, for an increase of \$90 million or 360 percent. Now that increase in value of agricultural production and return to land and management in New Mexico could be properly included but if you gave up the other half of the irrigated acreage we'd be in great shape. I don't think that's a correct conclusion. What brings this expanding production, expanding irrigated acreage, to the whole region? And increased production in New Mexico in that study

period from 1977 to 2020, could sure lead those represented in federal government and some of the states which might be considered to have potential water available for export, to ask, "What's your problem?" Now, it's important to remember that those projections are based on what is known as the NIRAP model, the Department of Agriculture model which projects increasing crop yields and crop prices increasing faster than inflation in the future years. And I think a prudent person might reasonably question some of those assumptions. I daresay a lot of you folks that have been farming over here the last 10 years will. The strategy for importation would import a total of 4.1 million acre feet annually from adjacent areas to the High Plains states. Of that amount, 302,000 acre feet will be used for irrigation of 145,000 acres in New Mexico which will bring our total of 2020 irrigated acreage to 480,000 acres. Importation would bring the value of agriculture production in the High Plains of New Mexico to 247 percent of the 1977 value of \$125 million and would bring returns to land and management to 660 percent of the 1977 returns of \$25 million. I think it's very appropriate that we be realistic in evaluating the prospects and the results of importation. Here are some rough numbers. It appears that the cost of bringing imported water to New Mexico, including energy costs, would be about \$600 per acre foot, if you figure interest free as reclamation projects used to be figured, you get about \$260 per acre foot. Quick calculations indicate that the High Plains farmer

might be able to pay about \$76 per acre foot on a break even proposition. That's about 13 percent of the total cost of bringing water to the land. It's important to go back to the criteria for major water projects. First the project has to be engineeringly feasible. I think from what Bill Pearson showed you this morning we can conclude their importation projects would be engineeringly feasible. The project has to be economically justified, that is the benefits of the projects must exceed the costs. There is some problem with that. It's got to be financially feasible. That is water users have got to be able to repay the costs, or somebody has to be able to repay the costs. Next, it has to be environmentally acceptable. And I think you can see from what Bill had to say this morning there's considerable question about that. Last, it would have to be politically feasible. And that, I think, of all those criteria, would be the most difficult to reach. We must not be unsympathetic with those states which we see as having surplus water. They will remind you of New Mexico's reaction to El Paso's raid on what little water we have down on the Rio Grande. I might offer just one comment on the questionnaire relating to a mandatory reduction in usage, that is, cutting the allowed useage to something less than the crop requires. Now the study shows that it does not make good economic sense to reduce the allowed diversion to less than the irrigation requirement. We can go into that in more detail if you like. But more important, I think in New Mexico, is a very

serious constitutional question. That is, a man has a water right under the doctrine of prior appropriation. You simply can't come along and say that all rights are going to get cut in half. And it's my reaction, Hoyt, that if the legislature ever tells a farmer how he will irrigate and take care of his land, it's making a very serious mistake. And I don't know who they're going to get to administer it.

Don Frederick: And here to tell us how the state government is going to solve these problems is Hoyt Pattison.

Hoyt Pattison: Thank you, Don. It is indeed a pleasure to be able to visit with you folks at this water conference. You know, in the state legislature, we're involved in a number of things. Among those is taxation. You folks know the difference between a taxidermist and a tax collector. The difference is that a taxidermist leaves the hide. Before I was in the legislature, and all the time I have been there, I was a farmer. And I am a farmer, or maybe I should say was. We don't have any tax problems. The IRS is not going to get any hides from us because they're already gone.

Your questionnaire is very interesting in how the answers from agricultural producers differed from the others. I would advise you to pay attention to what the farmer is saying. Your water importation problems can be of little significance if there's no one there to use the water to grow the food. Part of that problem is

the cost you're talking about here today in water importation. Farm commodities won't pay for water importation, not at today's prices. There's not a farmer in this room or in this state or in this nation that has made any money in the past two to four years when you consider all the factors. You don't even have to consider all of them for a lot of us. It's a tough problem.

The role of the legislature in water problems as far as New Mexico is concerned has been illustrated by our willingness to do what is necessary to help solve our water problems. A good example of this is the body of water law we have in our state beginning with our constitution and administered by a very able man, Mr. Reynolds. We passed the laws it takes to be sure we have good water policy in New Mexico -- one of the best systems of water law in the United States. We have to modernize it and bring it up to date every now and then, but all in all it's a good system. Our legislature is willing to appropriate the money when necessary to help solve our water problems as has been illustrated in this recent suit with El Paso. We told Steve Reynolds that whatever it took, we'd appropriate it. We knew we weren't issuing a blank check because Steve Reynolds is conservative, but he knew that when it came time to hire lawyers and so forth the money would be there. We believe in taking care of our water.

The High Plains study has considered the importation of water from other areas. Having



been involved in the Water Incorporated efforts that originated in west Texas, eastern New Mexico, and parts of Oklahoma for a great number of years, it's really gratifying to see this effort having gotten this far. We need to, as a part of this effort, emphasize the use of home grown water resources. You wouldn't think of New Mexico as having very much. However, in some parts of our state we have millions of acre feet of stored fresh ground water that could be utilized. You don't have to pump it from a well 3,000 or 4,000 feet deep, you can pump it from 400 to 450 like I do. You know exactly what that means when you're talking about bringing water in from Louisiana, Mississippi, or Arkansas. You get it right here from the Tularosa Basin from maybe 1,000 feet deep. I think our legislature needs to study that and see what's available there. We need to see what could be utilized from the vast store of underground water under the Rio Grande Basin right here in our own state also. I'm sure there are similar sources of water in other states that the High Plains Study could bring out. Maybe they're closer to home and more economical to come by.

Until the food users of our nation are willing to pay for the cost to produce food, we don't need to produce any more wheat, corn, grain sorghum, or even meat because we have too much the way it is.

Now, what about energy? We could use water to produce energy on our farms. We could convert

the biomass we do grow to energy. People are willing to pay for that. That might be a better idea. Or we could utilize some of the wind that's blowing today to produce energy. Farmers could sell it and quit thinking about producing food. If you double the price we get for wheat, it would only make a nickel's worth of difference in a loaf of bread. So let's solve our water problems, but let's solve the problems of the farmer along with it. The New Mexico legislature is ready, willing and able to help solve water problems that exist in our state and to help solve these other problems insofar as we can. But when you talk about water projects that affect the whole central United States, in other words the Ogallala formation, you cannot expect one state to solve those problems by itself. Therefore, these problems must be solved through a national effort. Their importance cannot be diminished as far as the federal government and our Congress is concerned. Thank you.

Don Frederick:

One of the points I brought out was that New Mexico was engaged in a lawsuit with El Paso. And, of course, one of the potentials of that suit, New Mexico lawyers have maintained, is to throw all that water up for grabs and raise the question that if a state can't ban export of its ground water then should the feds step in and start answering its jurisdictional questions. It may be something someone wants to address, but maybe we'll go to the audience first and see what questions you have.

John Goar:

I'm John Goar from Goar Farm Inc., north of town. I was born in central New Mexico at Estancia and grew up out here. My degree in agricultural engineering is from New Mexico State. I married a local girl. Some of you might have known her father, Bob Stone of Stone Grain & Elevator. He started El Rancho Feed Company. He was chairman of the board of the Clovis National Bank until his death. So my wife and I have a strong interest in New Mexico, eastern New Mexico and Curry County. Now as a farmer and looking at managing this water there are some things I need to know. I need to know how much water the plants are using, how efficient the systems are, how much water I have available, and how much that water costs me. I have other interests too. I sell irrigation meters and one of the biggest deterrents to sales is the farmer's fear that the State Engineer Office will monitor his wells. If the farmer pumps, say, two acre-feet per acre this year, will monitoring force him to cut back next year? This penalizes a farmer for managing his irrigation system, and these irrigation meters are a good management tool. I don't know whether to direct the question at Hoyt or Steve. I think as far as Steve is concerned, he answered the question by saying he probably wouldn't put the restrictions on us. But Steve is not going to be our State Engineer forever. Some people think he's been here almost as long as Methuselah, but not quite. I don't know what the next State Engineer is going to do. I guess the question I need to direct to you, Hoyt, is what can you see

towards the protection of the farmer in order to be able to use the water as he sees fit, rather than have it dictated by somebody out of the state office?

Hoyt Pattison:

The answer to that question is in our body of water law in New Mexico. You're entitled to your water. You have a property right in the water that you have appropriated for your use and the only way you can be separated from that is by compensation. I think that in New Mexico our rights are adequately protected. That is illustrated in the other areas where their contacts with the water law are greater than ours here. We're not in a water district in this part of New Mexico. We're relatively free to use it as we please, except that use is dictated by the cost of natural gas and electricity. That has certainly decreased the use of it and increased conservation. But our basic water law is our protection.

Steve Reynolds:

I wanted a chance to say in discussing these mandatory provisions that they seem to me completely unnecessary in view of the cost of energy for pumping today. Going back to the original question, Mr. Goar. It's important to remember that under the constitution, beneficial use is the basis for the measure and the limit of the right to use water. And you're limited in this area at this time by that provision in Lea County and the Portales Basin. There's also a limit set forth in the permit. And, as I say, I don't think the State Engineer -- I know the

State Engineer could not -- but I don't think the legislature could come and say, no, you're no longer entitled to that three acre-feet. We're going to cut you to a foot and a half an acre. You could not be cut without compensation as Mr. Pattison indicated. Thank you.

Don Frederick:

I'd really like to get some questions to some of these federal officials as long as we have them here. Over there?

Tom Morton, Jr.

Basically I have four points that I made note of. One is to the gentleman who would run the water resources of the U.S. Can we expect the accuracy of your figures in the project that you are anticipating to be as accurate as they were for the Colorado River project which had a factor of 10 error due to the data that was taken on an extremely wet year. Point two. Silt handling facilities on flood waters is extremely high. And in regards to the gentleman in the back of the room, I agree with the monitoring on all wells because the record of your water consumption over a long period of time will prove in a court of law your requirements. Thank you.

Garrey Carruthers:

Yes, we'll be as accurate as we were in the Colorado River. At least as accurate. Keep in mind that we have learned from these projects in the Upper Colorado, the Lower Colorado, the central valley in California and in Central Utah. The corps and the Bureau of Reclamation now cooperate in the planning process and we share this information. You will see these

estimates improve. We were unable to project things, however, such as the cost of money. We were unable to project the cost of agricultural products over a long period and as a consequence we made great errors on that as well. But we do the best we can. We try to justify the project. We try to look as carefully as we can at the economics to see if it's justified and then proceed, knowing full well that there will be errors.

This administration believes that price is the best allocator and the best conserver of water. And as energy prices go up, so does the price of water. As we look at our cost sharing arrangements, we also see repayment charges going up. We will charge all users more than we have in the past for water and power services. And that's going to cause people to conserve. But we learned the lesson very well in energy; we all drive smaller cars now than we used to.

Maj. Gen. Robinson:

I'd like to make just one comment with respect to corps projects. We do hope that everything that we produce will be accurate to the extent that it meets the needs of the user. That's the proper test. Does it meet the need that has been expressed by the user to the Congress? With respect to the comment that Garrey made earlier, I certainly believe that up front financing cannot be mandatory. I think he's actually right in what he says. You cannot mandate up front financing. And I want to say that Mr. Gianelli came up with those proposed percentages and made

it very clear that those were proposals that would be presented to the project sponsors and if they accepted those proposals we would try to go forward. If they came up with something less, he would have to pass that on because then the Office of Management and Budget and the Congress have to act. And that was really the key with respect to that.

Don Frederick:

Anybody else? Well I've got a question. For Garrey and Mr. Brayman and Mr. Hernandez in particular. I wondered if from a Washington viewpoint you could tell us, what is the perception of the problem facing the Ogallala Aquifer and how will these figures that Steve gave which show the paradox of increasing production in the face of shrinking water, how will this be perceived?

John Hernandez:

I think there's a widespread perception in the eastern part of the United States that federal regulation of aquifers like the Ogallala is necessary. There is abuse of aquifers taking place which can only be controlled through federal intervention. I think there will be a strong push for some kind of ground water legislation at the federal level.

Hal Brayman:

I'm not sure I agree with you, John. Unless you get a push from the members of the affected states, I assume nothing will happen on the Ogallala at the federal level. A wise man once said that Congress does two things -- it doesn't act or it over-reacts. Given the opportunity for

over-reacting here in the tens of billions of dollars, I have a feeling that the alternative of no action may be more logical. And I assume the federal government never will get into the allocation of ground water. At least I hope not.

Garrey Carruthers:

Don, the resolution of the problem, if you're talking about water importation, must begin in the states. The federal government will not play any kind of a lead role in putting together the solution. Once it is determined by the states involved as to how to import water, (if water is for sale to import), then you face the serious question of how to pay for this project. It is incredibly expensive. I don't believe that agriculture can pay for this project, but the states are going to have to contribute to it. Municipalities are going to have to buy in. Industry must pay a market price for water delivered. And then after all of that, you're not going to have enough money to pay for the project and will have to be astute enough politically to justify the remainder on the basis of national security. Some argue that agriculture is so important to the national security of this country that there exists a federal financial responsibility. Then, and only then, will you build the project you are talking about.

Rip Curtis:

I'm Rip Curtis. I haven't been here as long as Mr. Goar. I've been here 56 years. Now if I understood General Robinson's and Steve Reynolds' comments correctly, I see no problem with this



project. I think our efforts are a little bit misguided. I don't think we want to import water. I think we want to help those poor souls down in the wetlands get rid of some of that water. Now, you talked about how it was going to cost \$600 an acre-foot to bring it out here. If you charged \$525 against flood control, that just leaves us the \$75 cost.

Steve Reynolds: Talk to the general.

Rip Curtis: You know there are logical solutions to all of these problems. I can see where we can do those folks a lot of good by getting that water out of the wetlands. If we have to blackmail them a little bit we'll threaten to send them all this real estate that's passing here today.

Maj. Gen. Robinson: Just a brief comment. I do agree that there are all kinds of ways you could figure this, but I want to point out to you that the people on the other end don't quite see it that way. The major states that are involved have already responded, and quite vociferously, to the availability of water. Missouri has responded, Arkansas has responded, and then down the river, Mississippi has. And what they're saying essentially is we need those floodwaters. Those floodwaters serve us a lot of useful purposes. Now they don't want it to go over the banks, of course, and if we could stop it from going over the banks I think maybe they might be willing to give up that water, perhaps for a reasonable price. I think they'll turn it around and go up and charge you.

Rip Curtis: Well, I think all we're interested in here at this convention is helping them out a little.

Don Frederick: Anyone else?

Maj. Gen. Robinson: Let me make one comment about what Hal said. I do believe the water policy system is kinda broke in this country, but we do need to get the policy together to the extent that the Congress and the administration get together on a policy that we can present which is comprehensive and consistent to the people that we serve. And I think that's awfully, awfully important. One of the reasons that we're 26 years -- and I won't dispute these figures, I'll just say that if it takes 26 years to start construction, a good bit of that is in the administration and the Congress because we do the study in five years and the design in two. So in between you've got a lot of sitting and waiting and that's part of the problem. We have studies right now that are sitting there in the Office of Management and Budget that have been there for six years and have not moved one bit.

Garrey Carruthers: I've got a comment on that as the only policy official here under attack by my friends from the Congress and the professionals. And I appreciate the pressure, folks. You know Hal and the Congress worry a lot about how we organize water policy in the administration. And the administration worries a lot about the Congress, too. But we have a Water Resources Council, and the Water Resources Council has been around for a while. The council worked hard; nobody bought

the Water Resources Council as it evolved. It went off on its own agenda. There isn't a person in New Mexico that turned to the Water Resources Council to solve water problems. The Congress believes, since Secretary Watt has asked that the Water Resources Council be zero budgeted, that a replacement for the council might be in order. Somehow, as a result, we're going to get a national water policy. That's not going to happen. The only way we're going to get a national water policy that makes sense is to begin at the state level and bring it up because there are 50 different state water laws in the country. States allocate and manage water resources; the federal government does not and it should not. If we are going to have water policy -- a national water policy -- we've got to quit trying to do it in Washington and bring it up from the states.

Don Frederick:

Mr. Brayman?

Hal Brayman:

I would like to add a few things. First, I was not discussing the Water Resources Council when I was talking about the need for Congress and the administration to get together. Part of the problem is that if you have a water resources program that works, you also assume you're going to spend money on it. You may not spend as much, in percentages, as you're spending now. But ultimately it means more projects, more money, and more investment in the public sector. I think that's right.

But I think the administration is in a situation where it doesn't want to consider more spending when confronting a \$100 billion deficit. Then someone comes along and says: Hey, we're going to spend some more money, significantly more money, on water resources. It is not an issue that gets a great deal of priority in Washington. The point I was trying to make is that Congress must work out some way so that the program becomes less ad hoc. We have to work out some way where there's more money going into water projects. We have to work out something on cost sharing. Those are tough issues. Those are issues, frankly, that a lot of people don't want to deal with, and those people are both in the administration and in Congress.

Don Frederick:

Yes sir?

Pete Wierenga:

I just can't sit here and not say anything. Two of my friends from New Mexico State are sitting up there and giving us policy issues and policy answers. I think from my point of view what we are missing in all of this is that its clear to me that we cannot build any more big canals or big dams. The money is just not there; its not cost effective. It looks to me from what the farmers are telling us that what is cost effective is water management and better use of the water that we have right now, improvement of crops and better varieties. There are a whole lot of things we can do right now and I am a little bit disappointed that our officials from Washington have not pointed out that with

continued support for research in the area of agriculture, in the area of water resources, perhaps we can improve the situation or at least come to the point that we can live with the little water we have.

Garrey Carruthers:

Peter -- I'd like to point out to those of you who don't know Dr. Wierenga, that he's one of the noted scientists at New Mexico State University and he speaks from the heart, not because he has a vested interest in research and receives federal money for research. It's not that at all. He speaks out of sincere interest for these measures. Pete, I would only respond -- in the traditional Reagan administration pattern -- by saying that if water is in fact a state's right, and we believe it is, then that kind of leadership comes from the state and that's what we ought to be hearing from the state. The thing we're trying to avoid is having the Bureau of Reclamation come to this state or the Corps of Engineers and say, can we sell you a water project that you'll really be pleased with. The corps, the Bureau of Reclamation, and the Soil Conservation Service have promoted their own program and sold it. We're trying to say, it's up to New Mexico to come to us and say this is what we want in the way of water and water projects. And we'll take nonstructural projects. We're not fixed on just building dams and canals, although it's a lot of fun.

Maj. Gen. Robinson:

I couldn't disagree more. First of all, we are not in the business of promoting water projects.

Our projects come up from the bottom and always have and I think it's clear to recognize that. Now, we've come up with a cost/benefit ratio and we design the projects. In the past, I think we've designed that project without as much consultation with the states and the locals as perhaps we should have had, though there has been a lot. And I think the idea of having more consultation and more input from the states and locals is certainly realistic and certainly something we should do, but we do not promote water projects or come out and try to sell projects. We respond to need and I think that's important to recognize. It's an important difference. I think the bureau does the same thing. Now, let me just say one more thing about this whole issue. And again, I disagree with Garrey on this because I think what we have to have is a determination first of what is the federal interest in water resource development for all those project purposes. And once we determine that, then we need to go to the states and get their input on how to do this and how to come up with cost sharing and all of the rest of that. But until we find out first what kind of interest the federal government is going to have in this program, let's just give it all back to the states.

Garrey Carruthers:

Let me say again I feel chastised. Peter, and now the general, anybody else want to get in line? But it's really the fault of the policy makers that you don't have a cost sharing formula before you. We thought, last July or August,

that it seemed like a simple task, to spell out what the federal role ought to be in a water project. It seemed very simple. One proposal was that the beneficiaries ought to pay for everything, 100 percent capital plus interest. And then the question was, why do we have the Corps of Engineers, the Bureau of Reclamation and the Soil Conservation Service? Obviously there must be a reason for them to be around. There are reasons for the federal government to be involved: protection of the agricultural infrastructure is a security question. I can justify the Bureau of Reclamation's program, in part because it's important to have the Central Valley Project, and because of their great productivity. It's in the federal interest. How much federal interest? I've talked to the Secretary of the Interior, who is chairman of the Cabinet Council, on two occasions. He rejected my original proposal on cost sharing and I'll tell you why. He said, "Very simply, Garrey, this is a pro-water development administration and we cannot build water projects under the rules that you just suggested to me." He said, go back and revisit some questions. One of the questions we had to revisit was irrigated agriculture. Another was flood control. And he said we're too tough on that. There is a federal interest here and it is higher than what you're admitting it is. Now these fellows making the decisions are cabinet members reporting to the president. And so this month I will surface that again in a new cost proposal to the Cabinet Council with new resources for irrigation water and flood control.

Steve Reynolds: If I might, Mr. Chairman, I'd like to add that no federal agency that I know of has ever tried to sell or force upon the state of New Mexico a water resource project. The corps, the bureau, the Soil Conservation Service, particularly have continuously cooperated with each other and have been most sensitive to the state's objectives in the development of water resources in this state. So don't worry about them pushing any projects down our throat, Garrey.

Garrey Carruthers: Does anyone have anything nice to say about a Republican who went to Washington?

H. B. Barnard: John, you told me at the beginning of this meeting that you were hoping some of the politicians wouldn't talk too long. At the beginning of this meeting it became rather obvious that with the possible exception of Mr. Reynolds and the general that this is really turning out to be a Republican water conference. I want to point out to you that I think this is a people project and I was very interested in the remark made by my friend Rip Curtis. I think he's exactly right. We ought to assign the costs of this project to the flood control situation. I think that's obvious to anybody. My good friend, the former mayor of Clovis, sitting over here to my right, indicates to me that maybe we ought to get provincial and cut off that water before it gets out of the state. I can tell you, Steve, but you already know, and the gentlemen here from Washington know, there is a great deal



of talk in that direction. I think all of you should be aware that we, as a state, are now exporting 90 percent of our natural resources. Mr. Reynolds and you gentlemen from Washington need to be advised that some of us serving in your legislature are becoming concerned about keeping those natural resources in the state of New Mexico. We want those resources to be used here. And then let's go to the second step. In other words, instead of exporting uranium to Oklahoma where it's going to be processed into yellow cake, let's put that yellow cake plant here in the state of New Mexico. I think the same needs to be said for our coal. The same needs to be said for our water. Let's use it for that second step, to provide a little industrial development of the type that New Mexico could stand.

I have not yet heard from you gentlemen from Washington any statements about water other than something about pork barrel. You're saying that water is thought of as a pork barrel project. Recently my friend Hoyt and I also have been accused of being involved in pork barrel projects, so we have some association with that term. Now, my question, gentlemen, is this: What do you feel we could do to bring our water problems to the attention of you policy makers and your friends back in Washington? What is it that we need to do, specifically, to tell the folks that the High Plains is perhaps one of the few remaining areas of the United States that can produce the food and fiber we need? What is it

that we need to do, specifically, to impress upon these folks that we've got problems out here and that if they want to be fed in the year 2020 or 2050 or whatever, they need to pay attention to our problems now and try to help us out? But how do we proceed? Do you have any comments on that? Thank you, Don.

Don Frederick: OK, Garrey.

Garrey Carruthers: Well the first thing that I would respond to is that the administration is very responsive to that attitude you just expressed. The president, from California, and the secretary, from the west, understand the importance of water projects and so you don't have that problem. You have a receptive group. Again, we look to the state for leadership. Let me use the example of South Dakota. The most successful state in dealing with the Department of the Interior and the Bureau of Reclamation, in my mind, is South Dakota. The governor, the congressional delegations, and the legislature all have agreed on how they want their water problems solved in cooperation with the federal government. They have organized themselves to come forward to the Bureau of Reclamation with a seven point list of things they think ought to be done. They debated those issues in South Dakota and resolved them there. So we ask the states who want assistance from the Bureau of Reclamation and the Department of the Interior to come to us unified because we look to the state to be the leader. The state legislature, the governor and the congressional

delegation can speak for their state with regard to water, so I throw it back to you.

H. B. Barnard: Do you have a copy of the South Dakota agreement?

Garrey Carruthers: I have the letters which they sent to me with the resolution from the legislature. Yes. I have that kind of documentation in my office.

Don Frederick: Mr. Brayman?

Hal Brayman: I'd just like to add a couple things. I certainly agree with what Garrey is saying. It's the High Plains states we are talking about, and the Ogallala. The High Plains states must get together and decide their agenda for ways the United States can help the High Plains states. I would just point out a couple of things about the importation issue. There was a point last summer when Congress almost enacted a prohibition on any exportation of water out of the Arkansas River, that is until Senator Domenici derailed that proposal. This kind of trashy little legislation will keep coming back and, in some form, we are going to have a shootout over these kinds of things. Be prepared for it. The second thing is that the state of South Dakota has just agreed with a coal pipeline company to sell 50,000 acre-feet of water out of the Missouri River. That is causing all sorts of problems with the downstream states, which see South Dakota's action as taking away their birthright to that water.

Don Frederick: Mr. Reynolds?

Steve Reynolds: If I may. With respect to the specific High Plains problems and Garrey's requests and the position of the states. It may be important to point out that the High Plains Study Council, on which all six of the states are represented, intends to take the report recently finished by the general contractor and sit down and formulate as an addendum to that report, the recommendations of the states. Now that will include addressing many of the issues set forth in the questionnaire that's been placed before you. We have planned two meetings. In April -- I can't give you the dates yet -- there will be one meeting in Clovis and one in Hobbs where we will present the details of the report and get public reaction in order to help us formulate those recommendations.

Don Frederick: We've got a couple of people who are going to try and fly out in this weather, so we'd better call an end to this. I've had a good time and I hope that you on the panel did too.