

MEGATHOUGHTS

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Our program today is centered on megatrends. It seems odd to me, but all day we have been talking about megatrends without anyone ever mentioning megabucks. I think that is really what we came to talk about, megabucks and not megatrends. Unfortunately the megabucks don't seem to be there like we would like them to be. And they're no going to be there.

On the archives building in Washington D. C., carved in stone are the words "The Past is Prologue." If you think about it, that's true. While we're thinking about the future, the past is prologue. There was a visitor to Washington one time who was going down Pennsylvania Avenue in a taxi and he asked the taxi driver what "The Past is Prologue" meant. The cab driver said "That means you ain't seen nothing yet." And I think that is true.

I went to Washington to work when Eisenhower was president and at that time Fred Seaton was the Secretary of the Interior. They had a policy at Interior at that time called "No New Starts." That was in 1957, and this year the policy at the Bureau of Reclamation is "No New Starts." Everything stays the same.

Earlier this month we celebrated the 50th anniversary of the great Hoover Dam, one of the proudest achievements of the Bureau of Reclamation and the engineering community. I shudder to think of what would happen today if we proposed to build a Hoover Dam. The chances of getting it accomplished would be slim.

Next month, Colorado River water will flow into Phoenix as part of the great Central Arizona Project, a multibillion dollar project that's bringing much needed water to the people of Arizona. That project wouldn't be there if it hadn't been for Sen. Hayden. I remember Sen. Clinton P. Anderson telling me one time that while he was battling to get

the Hoover Dam authorized, senators came to him on the floor of the Senate and said, "Clint, you're trying to fool the Senate by telling it you've got a market for all that power from the dam. You know that out in that part of country you have no market for that kind of power." Well we're upgrading Hoover Dam because we desperately need more of that kind of power today.

There's a little story that goes along with Hoover Dam. In World War II the U.S. aircraft industry in Southern California was mustered to build the Air Force that defeated the axis. It was there in Southern California that the power to operate that industry was available, power that came from Hoover Dam. So Clint wasn't fooling. But we couldn't meet that challenge today, I'm sorry to say. Perhaps it's fair to say the Golden Age of Reclamation may be behind us. I hope not. I think the challenge of water resources development is still there. It may not be in the same form as Hoover Dam, but the challenge is there, and the water need is still real. We still have to address those needs. What goes on in the 80s and 90s will be evaluated by future generations. Let us do what we can today to assure that those future generations will give us a passing grade for our efforts.

Here in the Sun Belt is where the United States is going to grow. The biggest problems you have in the Sun Belt are growth, development and the availability of water. You know the problems you have here and you know the problems they're having in the High Plains of Texas. Texas has searched to Canada, to the Mississippi and to the Missouri River trying to find a water supply they could pipe to the High Plains.

Now we're developing some new approaches besides pipelines. We're talking about cost sharing, we're talking about financial partnerships, and we're talking about reduced federal involvement. Garry Carruthers' favorite saying was "We've got to have innovative financing." I finally figured out what he meant. It means somebody other than the federal government is going to pay. That's innovative financing.

We're not giving new authorizations for projects and we're not getting the cooperation we once had. It's a matter of fact that the Army

Corp of Engineers is spending more money on operation and maintenance than they are on construction. And the National Water Resources Association is today struggling to get a bill through Congress that would extend the very successful Small Reclamation Project Act. That program has been successful and has paid back the government. Yet we're having trouble. Any why are we having trouble? Farmers in Iowa, and Indiana and Illinois don't get any participation out of the Reclamation Act.

When you stop to think that this year the American farmer will produce about 8 1/2 billion bushels of corn, that's more than we know where to store, or where to sell, or even give away. So when we try to convince Congress that we need more irrigation projects, and most of those irrigation projects would raise some corn to add to the surplus, it is a difficult job to sell. What are we going to do with all the corn that's depressing the market? Think about feeding the starving people of the world. We know those people demand more food. We know we'll have droughts, as Ethiopia is having now. When those droughts come, this country is going to rely very, very heavily on its irrigated agriculture. We know that we're losing 6 acres of land every minute in this country -- 6 acres of agricultural land to urban developments, to factories and to highways. That lost land needs to be replaced with agricultural production and the best way to replace it is through irrigation.

Our work is not finished, it has just begun. We need to start at the grass roots. It shouldn't be just the farmers and ranchers who irrigate and the city officials who have water problems, it should also be businessmen, labor leaders, politicians and students. I was very pleased at the meetings today to see the number of women who were attending. I'm glad to see that women are making a dedicated effort to help solve New Mexico's water problems.

Tom Bahr quoted from statements made at the first water conference 30 years ago. It's interesting to note that there was no mention in that first conference of infrastructure. When we start talking infrastructure, it includes water resources development, highways, ports,

and waterways. The cost to bring highways up to speed, to maintain water resources and other developments in this country is estimated at up to \$100 billion over the next few years. We need to maintain what we have today and at the same time work on management and conservation. That's going to be an enormous task. It's a challenge for you.

Hal Brayman is here from the Senate Environment and Public Works Committee. Hal will speak to you tomorrow. Go ask Hal about the coalition of senators working to develop a new water policy and bring forward new authorizations out of the Senate for water development. It wouldn't take Hal long to answer. There isn't such a coalition. Water is not the big priority with your senator or my senator anymore.

Colorado is a dry state, as are many of the western states. Sen. Armstrong of Colorado told me, "I know what water means to Colorado, I know what it means to the development of the West, but its not the main issue in Colorado. There are issues that transcend water, so I have to give my attention to other matters."

Your Sen. Pete Dominici has the awesome responsibility of working on the tremendous deficit in the federal government. It's pretty hard for people to try and cut back on everything and then on the other hand say I want water resources money. Sen. Domenici said that 52 percent of all the tax revenues received by the federal government today goes to pay the interest on the national debt. Then 32 percent of that money goes to operate the military. If my figures are right, that leaves only 16 percent for all the other functions of government. So I might say as a water lobbyist working for appropriations, I've been an abysmal failure, because our share of that federal budget is a small part of 1 percent. I think it's going to become smaller. Projects are going down the tube instead of being authorized. I think if I have any kind of solution to suggest, it's that now is the time for states to say to the federal government, "We appreciate the help you've given us for the past 80 years, but now we're going to dissolve this partnership and we're going to march on our own."

The Natural Water Resources Association has stressed over the years that water belongs to the state, not to the federal government. When the federal government starts talking partnership, they're talking in favor of the rich states that are going to do well. But the poor states are going to suffer more than they've suffered up to this time.

Look at Wyoming for example. It has a severance tax on its coal and it's digging coal by the train loads every day. That money is pouring into the state engineer's coffers because a large part of that money has been set aside for water resources development in Wyoming. So when it came to matching a partnership, Wyoming can step right up and say "We're ready. We've got money in the bank, we'll match you 3 to 1." Have you got that kind of an opportunity in New Mexico? Nebraska is trying to get an addition to the state sales tax designated for water resources development only in Nebraska. To fund water development, other states have had increase in their labor tax, some have increased their tobacco tax. I think that's all foolhardy. We're operating the finest industry in the United States and we refuse to tax ourselves.

What's wrong with a New Mexico water tax? People need your product. They tax every other utility you've got. You pay taxes on your telephone bill, you pay taxes on your electric bill, you pay taxes on your sewage bill, but you don't want to tax water.

It could be a miniscule tax per thousand gallons. I think we would have the richest man in New Mexico if we taxed water 1 cent per thousand gallons and sent that money to (state engineer) Mr. Reynolds.

The average person wouldn't even see it in his water bill after the first bill. That's the smallest utility bill you get. So I'm pleading with you, take the product that we need and everyone is going to buy and put a tax on it. You'll have big revenues.

You're fooling yourselves if you sit around and think you're going to get that money out of the federal government anymore. So stand up. Say we want to tax our product. Once we do, we're in business.

I want you to keep one eye on the future. If we do our job right, the golden age of water and water development may still be ahead of us.

We know the population in this great country will grow, and as I mentioned earlier, so will our challenge. Let us make sure that in 60 years when they look back at us, they judge us well.