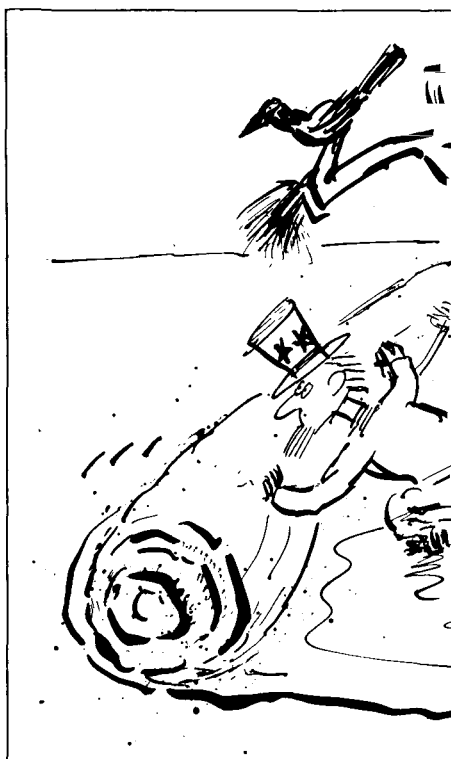


# ***THE WET, WET WEST***

***If there's a "water shortage," why are they growing rice in California?***

**by Ronald Brownstein and Nina Easton**



**A**s a public issue, water usually doesn't cause much of a ripple outside the West, but lately it has been splashing all over the covers of national magazines. Reporters and photographers invariably return east with the same story of despair—drying streambeds, overdrafted rivers, parched landscapes. And the articles invariably ask the same question: Are we running out?

The answer is yes, but it misses the point. It doesn't say anything about why we're running out. The reason is that water is too cheap. If it weren't too cheap, it wouldn't be overused, which would mean it wouldn't be scarce, which in turn would mean it wouldn't be the subject of magazine stories. Simple enough.

But the explanation of exactly how water came to be so cheap out west is not simple at all. It's a complicated story that has to do with dreams of national growth and dreams of getting rich. That other factors get in the way of those dreams—water shortages, budget crises, fairness of distribution questions—hasn't dampened the enthusiasm with which they're embraced.

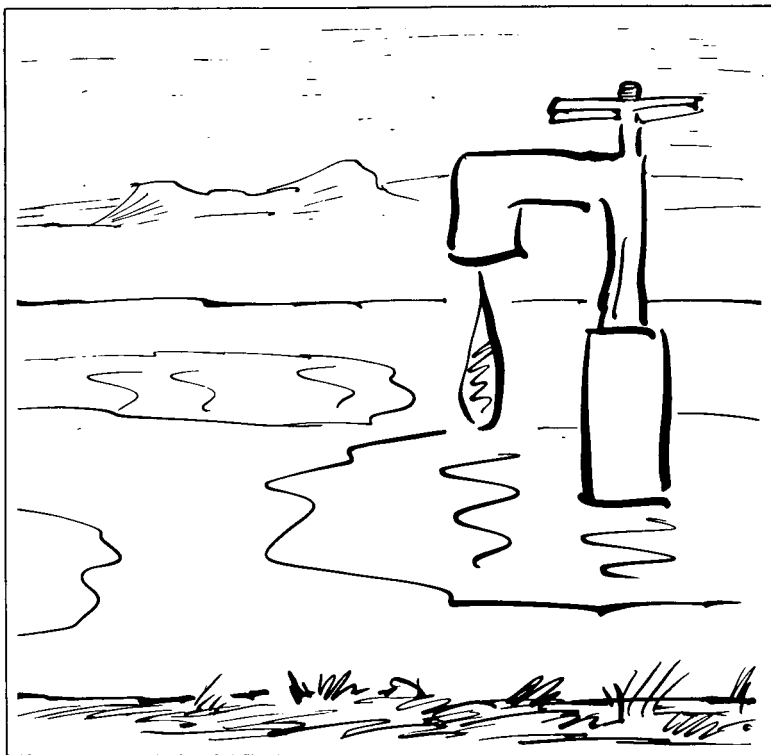
Of course, in the West, water is power, as John Wesley Powell first pointed out more than 100 years ago. In a classic 1878 report to Congress,

*Ronald Brownstein and Nina Easton are staff writers for Ralph Nader.*

Powell wrote that while land was abundant in the West, water was scarce, so whoever controlled the water would also control the land—the reverse of the situation in the East. Without water, he reasoned, the homesteaders wouldn't stand a chance. This brought him to the conclusion that federally subsidized irrigation projects would have to be built.

These projects have had their uses. They've turned arid land like the San Joaquin Valley into one of the lushest and most productive farm areas in the country, and they've helped make the West inhabitable for large numbers of people. But in recent years, as dams and projects have gone up in all the most appropriate spots, the idea of never-ending irrigation no longer makes sense. Not only have the projects become the personification of wasteful pork-barrel politics; they've thrown nature—and the western economy that is based on it—out of kilter.

At every step of the way, the projects and the subsidies they create have made it cheaper for people to use water than to save it. The water from these projects is priced at such a cut rate that use by farmers has become more than profligate—it's downright destructive. While the West as a whole lies parched, individual farmers act as if water is as plentiful as air. The legal claims on



ILLUSTRATIONS BY ROBYN JOHNSON-ROSS

the Colorado River, for instance, are almost 20 percent greater than the yearly flow of the river itself. "If you don't control use," says an aide to Representative George Miller of California, who has been active on the issue, "you won't have enough water even if you dam all of northern California and turn Oregon into a lake."

It would be one thing if copious water were necessary to make farming efficient and productive. But it isn't. A General Accounting Office report recently concluded that more than 50 percent of the country's irrigation water is wasted.

And it's a select few who get to do the wasting. When Congress, under prodding from Teddy Roosevelt, set up the Bureau of Reclamation in 1902, it intended the cheap water to go only to small and medium-sized farms. "The purpose, so far as the right to use water is concerned," said the father of the Reclamation Act, Francis G. Newlands, back in 1901, "is to prevent monopoly of lands." Of course, things haven't turned out exactly as Roosevelt and Newlands envisioned. In fact for 80 years the law has been honored in the breach. Almost half of the western land receiving subsidized water is owned by a handful of farmers who have never bothered to conform to any acreage limitation.

In fact, the group of farmers now receiving and

wasting the taxpayer-sponsored cheap water includes some of the biggest, most successful farmers in the country. They've learned to ignore the laws they don't like and live by the ones that suit them. The ones that suit them most, of course, are those that allow them to buy their water at a fraction of its cost of production.

### The Price Is Wrong

Why big farmers get a water subsidy isn't too hard to figure out. They hold sway politically—and always have. The more interesting question is *how* the water comes to these western farmers for five to ten percent of what it should cost. How have they made this little arrangement work?

When municipalities receive federal water, they raise the money to repay the government through a water user's tax. Farmers start out the same way. Before a project is begun, they organize a water district, which has the legal authority to levy taxes and negotiate a rate and repayment plan with the federal Bureau of Reclamation. The water district charges farmers on a per-acre basis, then pays back the federal government. Districts that benefit from smaller projects, such as diversions and canals, handle operations and maintenance themselves; larger projects are contracted entirely to the feds.

If you haven't yet spotted where the subsidy comes in, don't worry. A system of this kind can be pulled and twisted like a weed when placed in the right hands. Take interest payments. Recipients of water provided by a particular project are supposed to pay back the government the cost of the project over 40 years or so (after a grace period of up to ten years), but in the case of farmers, this has been interpreted to mean *without interest*. Given inflation, of course, interest-free loans eventually become indistinguishable from hand-outs. The GAO recently studied several projects under construction and estimated that by the time the costs are repaid, the subsidies will total in excess of 90 percent. Even municipalities are sometimes forced to chip in small amounts of interest on their share of a project's cost, but farmers ante up literally nothing extra.

And the principal that farmers repay the government has been whittled away, too, through something called an "ability to pay" provision. Like "the public interest" or "fairness," "ability to pay" is one of those legal definitions that leave a lot of running room in the backfield. The water district determines that ability by analyzing farm size, price, type, and quality of crops, and how much increase in profit a new water project would create. It is a subjective process, to say the least, one that the GAO charged this year is often aimed toward guaranteeing profits for the farmers.

Routinely, even the most successful of land-owners are not found to have much ability when it comes to paying for the project. In the San Joaquin Valley, for instance, the Friant-Kern Canal provides water for land owned by Getty Oil,

## THE GONE EARTH

### Part I

### Will we have to grow wheat on Astro Turf?

by Cary Kimble

When farmers—from the West and elsewhere—go to Washington each year to plead for their subsidies, they have to conjure up some very inspired arguments for why farming isn't like other businesses and why it shouldn't be subject to the whims of the free market.

The best abstract argument usually goes something like this: farmers have a special responsibility not only to feed the nation and serve as a breadbasket for much of the world, but to serve as the guardians of the country's most precious resource—land.

That sounds very nice, and along with some other minor considerations like farm-bloc voting power and enormous campaign contributions by agricultural groups, it's usually enough to keep the farmers' safety net in place. Even this year, despite Reagan's modest attempts to prune it, federal aid to farmers will include not just water but generous price supports for many crops, tax advantages for farm investment, crop insurance, and a bountiful assortment of other delights.

If it's true that those who receive special benefits from the government also take on special obligations, you might expect that farmers would be required to do their part to preserve the natural legacy of the land. Not so. Even suggesting



that farmers have a responsibility to practice some form of soil conservation in exchange for the subsidies is heresy. Voluntary conservation is as far as they'll go.

This would be just another routine case of selfishness and hypocrisy on the part of an interest group if it weren't for the fact that such thinking may kill the golden goose. Our very success in producing vast quantities of good, cheap food—and it is one of the great triumphs of modern world history—has been accompanied by an extravagant failure to take care of the land properly. Our bitter harvest may be of dust.

The truth is that the country is losing more topsoil to erosion today than it did during the worst days of the Depression dust bowl. By the most conservative estimates, wind erosion will cause the loss of about one billion tons of topsoil this year. That's nothing, however, compared to the four billion tons eroded by another, perhaps

Tenneco West, J. G. Boswell (a huge cotton corporation), and other prosperous companies. Their ability to pay for the water was calculated by the water district to be \$3.50 per acre-foot—one-seventh of what even low-priced California state-produced water costs.

And there's yet another step where the government's generosity can display itself. After calculating the ability to pay, the water districts enter into negotiations with the Bureau of Reclamation to agree on the district's overall share of the cost of a project. Since most of the irrigation projects double as generators of electricity, and the power companies pass on costs to the consumer, the water districts don't have much of a tab anyway. And what bills they do have are negotiable.

This is good news for farmers. The Bureau, as

less natural force—water.

Yes, a lot of that water the federal government has helped pump into American farms may some day hurt those farms much more than it helps them. It will hurt, in the long run, not only because the overuse of water is itself causing erosion, but because of what the water represents—a federal commitment to production above all else. Though the government sometimes tries to keep prices high by paying farmers not to farm, the overall thrust of Department of Agriculture policy is to spur production. This has been especially true since the 1972 Soviet wheat deal, when the government began to think about feeding not only Americans and allies but our adversaries as well.

That thinking, combined with the rise of the absentee landowner, has given us too many farmers who plant fence-row to fence-row and neglect to rotate crops (it's more convenient and thus more profitable to stick with a single crop). Doing so leaves the land more susceptible to the elements and prevents proper rejuvenation.

There are two government agencies charged with confronting the problem: the Soil Conservation Service and its rival, also in the Agriculture Department, the Agricultural Stabilization and Conservation Service. Both tend to do what *worsens* soil erosion rather than eases it. A 1977 GAO report declared that production, not conservation, was the main goal of the department's *conservation* programs. More importantly, the report found that farmers who participated in USDA conservation programs were not doing any better with soil retention than those who did not participate. Since then, the department has instituted some reforms, but these have yet to

you might imagine, doesn't drive a very hard bargain with the locals. It can't be tough without jeopardizing its role as the government agency devoted to reclamation. The result is that the contracts with the water districts get influenced by local farm politics and end up favorable to the party that cares most—the farmers.

One water district has figured out how to make the water even cheaper. The huge Westlands district near Fresno, California, never bothered to sign a long-term contract with the U.S. government and has operated for more than 15 years under short-term contracts that come on very favorable terms.

Now, finally, Westlands is being called on the arrangement, and the man forcing the district to sign a longer contract on better terms for the government is none other than James Watt, long the

scratch the surface of the problem.

Federal conservation efforts have been unsuccessful not only because they have stressed production, but because they have been viewed as more meddling from Washington. This is why Reagan's Agriculture Secretary John Block is not inclined to do much about the problem, though he admits it may be the most serious issue faced by his department.

What Block has so far ignored is that soil conservation can in fact be accomplished in a way that is consistent with Reaganism: it can be done locally, through what is called "cross compliance"—a requirement that farmers accepting federal aid comply with some rudimentary form of locally designed soil conservation. Where local circumstances differ, requirements would differ. Tilling the land less when planting, for instance, can in some cases reduce erosion by 50 percent. Crop rotation and planting grass after harvest are other remedies.

Because he wants to pass down the farm to his children in good condition, the family farmer often makes a greater effort than others to practice some of these expensive soil-conservation methods. But the big land-management companies sometimes interested in squeezing the land for all it's worth and then selling out to developers often think short-term. For them, soil conservation makes about as much sense as giving your car a tune-up on the way to the used-car lot.

These farmers must be made to think differently. If they want federal subsidies, they must agree to help preserve the land for the future. That's not a bad bargain—for farmers, or for the country.

*Cary Kimble is a Washington writer.*



defender of the large corporations that own most of the land in Westlands. Watt isn't asking much. He simply wants to raise the price of Westlands water from \$7.50 an acre-foot (they pay \$12.50 an acre-foot above a certain quantity) to about \$13. That's still only about *half* the price of water provided by the state. Any way you look at it, the rich farmers continue to make out fine.

But to hear it from them, their old friend Jim Watt is selling them down the irrigation canal. With the subtle touch that has won him so many admirers among environmentalists, Watt threatened to cut off Westlands's water next January if it didn't sign the long-term contract. Westlands sued Watt, and the Environmental Defense Fund, siding for once with its nemesis, tried to enter the case on the government's behalf. Watt apparently found that even more unpleasant than being sued by the landowners, and he opposed EDF's efforts to join. The judge, sensing a free-for-all, agreed.

The remarkable thing about the case is how insatiable western landowners are. According to Department of Interior figures, Westlands farmers are already taking in a subsidy of \$1,422 per acre over the course of their repayment period. For someone with 1,000 acres, that's about \$1.4 million from Uncle Sam over the years. For the couple of dozen companies owning tens of thousands of acres in the Westlands district, that's—well, you can figure it out.

## Outlaws

Sure, the size of the farms receiving the cheap water is alarming—it means a few rich men and companies get richer by virtue of the government (and it doesn't make food cheaper—the Department of Agriculture says the optimum size for a farm is 200 to 400 acres). But the whole arrangement is also *illegal*. Under the 1902 Reclamation Act, which is still on the books, cheap federal water is limited to those owning 160 acres or less.

"FRANK CHURCH deplores the Administration's 'rigid anti-Soviet ideology.' Let's unpack this formula, shall we? 'Rigid' means firm where you should be squishy. 'Anti-Soviet' means negative without provocation. 'Ideology' means it's all in Reagan's head: there's no Soviet threat. Thank God this sort of Newspeak is becoming Oldspeak."

For a free copy of the current issue of *National Review*, write to Dept. W-8, 150 East 35th Street, New York, New York 10016.

Even when interpreted as loosely as possible, the outer limit is still under 1,000 acres. And the framers of the law tacked on a residency clause requiring farmers to live near their farms, an obvious reference to the big landholders of the day—railroads.

Of course, passing a law and enforcing it are two very different things. The railroads and the big growers bet that they could both keep their huge holdings and receive federal water, and it was a smart wager. Seventy-five years after the act was passed, about 91 percent of the farmers receiving water were in compliance with the acreage limitation, but the nine percent not in compliance owned 48 percent of the land in the program.

Over the years, the landowners figured out various ways to get around the acreage limitation. Some transferred the land titles to "paper farmers" (friends or even foreign investors who would hold the extra land). Others signed contracts promising to turn over the excess land several years down the road. But for the most part none of the landowners had anything to worry about. In the decades since the Progressive Era, the government has never been much interested in taking on the big growers.

But in 1976, a group representing small farmers finally won a court order forcing the Department of Interior to issue regulations enforcing the Act. When Cecil Andrus complied in 1977, the big landowners went to court—after consulting with James Watt, then head of the Mountain States Legal Foundation—and successfully suspended the rules. Watt and company took a leaf from the environmentalists' book: they charged that Andrus had neglected to fill out an environmental impact statement. What's more, the ploy worked.

By the time Andrus finally got clearance to issue the regulations forcing the big farms to split up or pay up, the Carter administration was in its final hours. And the new secretary, while willing to tangle with growers over the exact price of water, is not about to step across the bar and challenge a time-honored way of doing business that he recently helped defend. In fact, Watt suspended the regulations in February and is now drafting legislation to revise the Reclamation Act and eliminate once and for all Teddy Roosevelt's silly notion that government water should go to those who need it.

## Down the Drain

Of course, if fairness and legality were all there was at issue, this wouldn't be much of a new

# A *TWM* Profile

## What kind of person gives *The Washington Monthly*?

**NAME:** Santa Claus

**CAREER:** World-wide distributor of Rodin bookends, pictures of dogs flushing quail, Adolfo sweat socks, etc.

**HOBBIES:** Globe-trotting to find who's naughty and nice; challenging himself with the *Monthly's* political puzzle.

**LAST BOOK READ:** *How Washington Really Works* by Charles Peters.

**LATEST ACCOMPLISHMENT:** World's leading expert on gift preferences for informed, intelligent readers.

### PERSONAL STATEMENT:

"Flying to Washington once a year doesn't keep me informed. *The Washington Monthly* tells me how Washington really works (where they still believe in Santa).

"And the *Monthly* makes my belly shake like a bowl full of jelly. I even take it with me when I fly. It's great over ice, over water.

"Now I give the *Monthly*. You can't take those 'funny' Christmas neckties to the beach."

Make my latest accomplishment a *TWM* gift subscription at \$12 a year for:

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

Zip \_\_\_\_\_

My gift card will read: \_\_\_\_\_

My name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

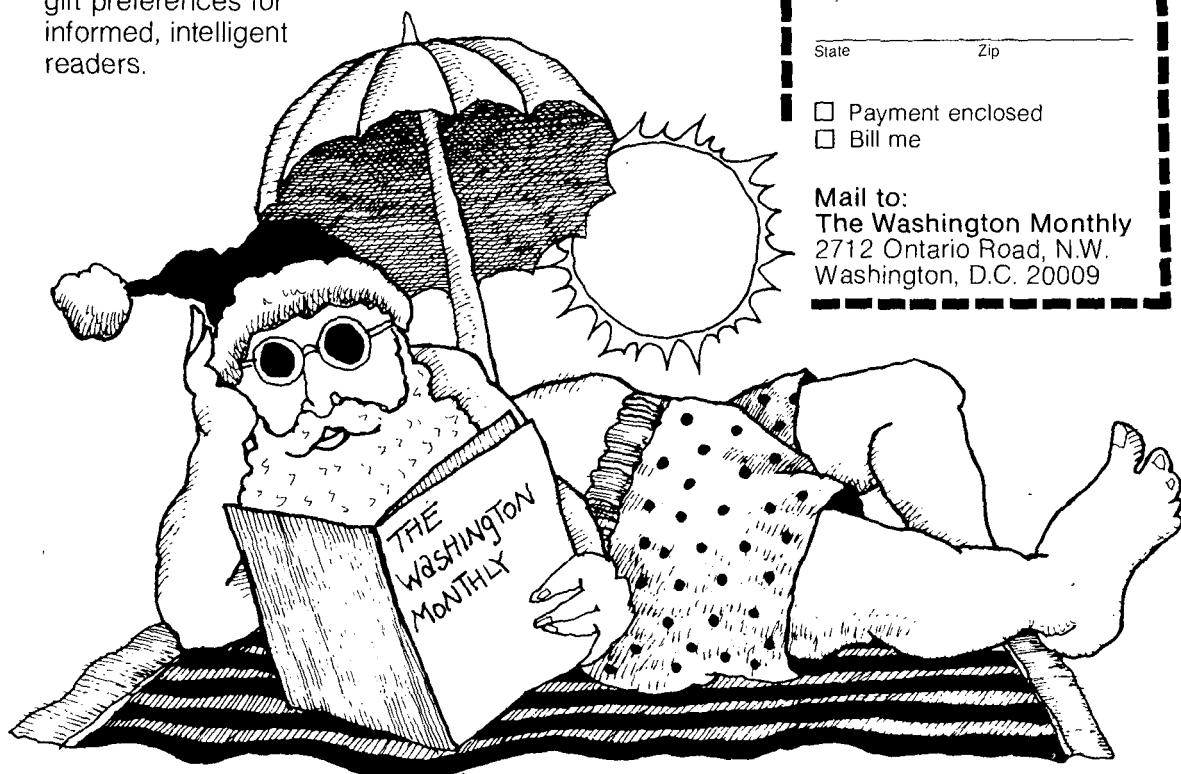
Zip \_\_\_\_\_

☐ Payment enclosed

☐ Bill me

Mail to:

The Washington Monthly  
2712 Ontario Road, N.W.  
Washington, D.C. 20009



*The Washington Monthly—more than just a magazine.*

LICENSED TO UNZ.ORG  
ELECTRONIC REPRODUCTION PROHIBITED

story. These ideals have been knocked around by western water interests for 75 years. No, the real issue here is use. The reason for enforcing an acre limitation would be to prevent water from being wasted. If those big farms had to pay for their water, they wouldn't take it for granted. They wouldn't throw land into production that is poor in quality, and they wouldn't flood fields that could just as effectively be sprinkled. Most of all, they wouldn't create a drainage problem (that's right, *drainage* in the dry West) that may cost billions of government dollars to solve.

Farming arid land isn't objectionable in itself. But it has gotten to the point where much of the land is farmed for no reason other than that water is dirt cheap. If farmers have to pay only five or ten percent of the water's cost, they will always find a new patch of land to add to their farms. Many of the farms in Northern California's Glen-Colusa water district, for instance, grow *rice*, one of the most water-intensive crops of all. Instead

of using sprinkler systems, many western farmers often employ less expensive open-ditch irrigation, which consumes many times as much water. The net effect is a situation where some western cities have to set up water-allocation programs while the farms outside of town go hog wild.

But in throwing practically every acre that isn't already under a house into production, the farmers have included hundreds of thousands of acres that should never have been farmed. Westlands was so inspired by the cheap water that it managed to convince the Bureau of Reclamation to add a few pipes here, a few pipes there . . . until it had tacked on 130,000 acres that *were never supposed to have received water from the area's projects at all*.

The reason this acreage wasn't supposed to receive water is that like so much land in the West it doesn't drain well. The problem is this: The sun evaporates the purest part of the water left over from irrigation, leaving the saltier stuff to drip

## THE GONE EARTH

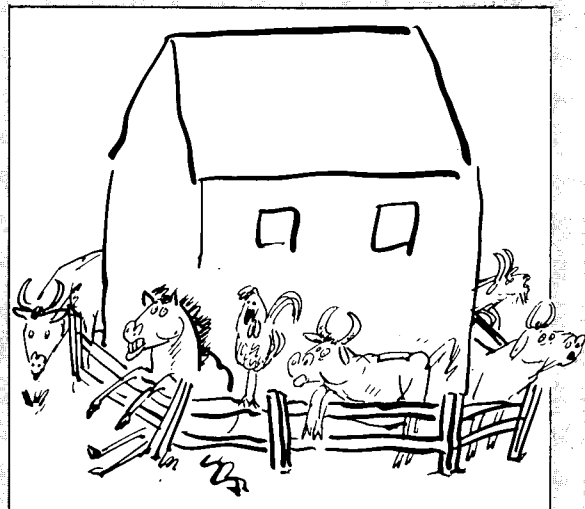
### Part II

### Will we have to grow wheat on concrete?

by Tom Graves

Looked at as a whole, the realities of modern farming are stranger than an udderless cow. On the one hand, there's the West, where water is priced so cheap that it often makes sense to farm arid land. On the other hand, there's lush farmland in the East and Midwest that is worth so much when converted to other uses that it often makes no sense to farm at all. To put it another way, we sometimes end up farming the worst property and turning the best into shopping malls.

The result of the latter trend is that the country may soon be facing a shortage of what the Soil Conservation Service defines as "prime" farmland, land with the most favorable soil types for production. According to the federally sponsored Agricultural Lands Study, three million acres of prime farmland are converted annually, about 70 percent of them to make room for urban sprawl. The other 30 percent is flooded with water impounded for sewer lagoons, power plants, irrigation, or fresh drinking water. Still more land is idle because farmers near housing projects find it difficult to farm around their new



neighbors. Iowa has lost 1.2 million prime acres since World War II, Texas has lost 1.6 million just since 1975, and Florida may lose all of its prime farmland within the next 15 or 20 years.

In relation to the total acreage of the whole country, that's not very significant. But the lush topsoil that first attracted European settlers to the North American continent is not present everywhere, and if we continue to build on it instead of the less fertile land nearby, there won't be much prime farmland left by the end of the century. What's particularly frightening is that the problem of disappearing prime farmland first became acute during the 1970s, when urban growth and construction *tapered off*. Imagine what could happen during boom years.

down below the surface. This creates pools a few feet down that get pulled up through the roots and hurt crops. If the pool gets all the way back to the surface, the remaining water will evaporate and the salt will form a crust over the soil. In other words, the land is always either flooded or on its way to being a desert again.

Having created this drainage problem by using water where they shouldn't, what would you expect the water districts of the San Joaquin Valley to do next? Silly question. Why, plan a drainage project, of course, at a cost to the state and federal government of as much as \$1 billion. The farmers figure if they keep pouring on the water and keep making noise about the desert wiping out farmland, sooner or later the feds will crack and come up with the money.

Whether they will crack on this and many other water projects on the drawing boards (or already under construction) is unclear. A major conflict on the water issue is shaping up within

the Reagan administration. Reagan has no interest in going out of his way to alienate western farmers, particularly because many of the California growers are among his oldest friends and backers. Their ties to others in the administration—Attorney General William French Smith, for one—are also nothing to scoff at. But the budget-cutting fever is such that federal commitments for new water projects are unlikely. No new project starts were announced this year, and in the latest round of budget cuts, the Bureau of Reclamation is slated for a \$100 million trimming.

The bottom line, then, is no infusion of money for water projects for awhile, but also no efforts to change the water-pricing system so less water is wasted. Of course, until the price of water for farmers more accurately reflects its real cost in the marketplace, gross overuse will continue—as will those stories about how the West is running dry. □

The farmers themselves are in a pickle on this one. They don't exactly cheer the disappearance of farmland, but they also want to be able to sell their assets when they want to—or, more likely, when they have to. For the absentee landlords and land-management companies that own farms close to urban areas, the dilemma is less painful—but the problem exists for all farmers. Realities are forcing them out of farming, and if that means paving over some of the nation's best topsoil, well, they sometimes have no other choice.

With the Reagan administration's new tax cut, inheritance taxes—the traditional bane of family farmers—have been virtually eliminated. But it's real estate taxes that often cause the conversion of the land to other uses. In most states, land is appraised for taxes on its value in the marketplace, so once development begins in an area bordering farmland, the assessment on farm acres jumps dramatically—and pushes the farmer over the edge. The average price of an acre of farmland in Loudoun County, Virginia, for instance, has jumped from \$147 in 1950 to more than \$4,000 an acre today.

Until recently, the U.S. Department of Agriculture also contributed to the problem. Incredibly, the department's Farmers Home Administration was helping finance water systems, rental housing, industrial parks, and other projects that resulted in prime farmland conversion. The Carter administration stopped that, but USDA is not yet an advocate within the government of farmland preservation. Reagan's secretary of agricul-

ture, John Block, showed some signs of sensitivity to the issue when he headed Illinois's agriculture department, but he's up against philosophical objections from conservatives that will probably prevent any federal action. Last year, a bill merely declaring that solutions to the problem of disappearing farmland should be *studied* was rejected by the House of Representatives. It seems the Farm Bureau, the nation's largest farm group, convinced the House that even worrying about the problem smacked of "federal land-use planning," which in the Farm Bureau's mind is a code word for socialism. That the Bureau's position may eventually destroy farming (and thus the Bureau itself) didn't seem to faze the lobbyists or members of Congress. No change is expected in this session.

Farmers have an understandable resentment toward land-use planning. Who wants to be told by the government not to sell his land? Still society as a whole does hold a certain stake in assuring that our best farmland doesn't get turned into garages and rec rooms, and the medicine to prevent that doesn't need to be as poisonous as conservatives think. But first we have to figure out what that medicine is—which combination of tax incentives and local zoning ordinances would both respect the rights of farmers and encourage development of less-prime land. Doing that requires an acknowledgment that the problem exists. Farmers, and the rest of us, might start there. □

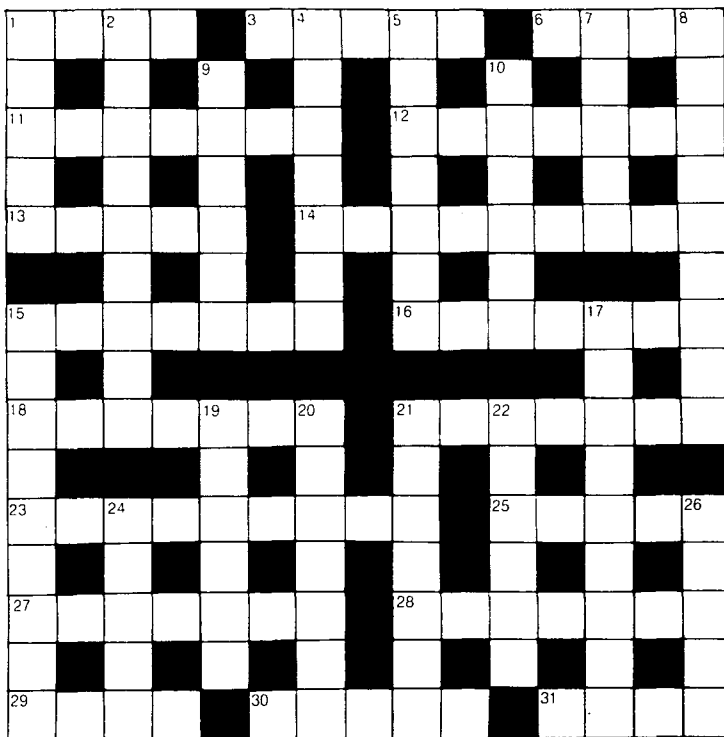
*Tom Graves writes on agricultural topics in Iowa.*



# The Political Puzzle

by John Barclay

The numbers indicate the number of letters and words, e.g., (2,3) means a two-letter word followed by a three-letter word. Groups of letters, e.g., USA, are treated as one word.



## ACROSS

1. See 31 Across. (4)
3. See 31 Across. (5)
6. Fellow who makes one sore? (4)
11. See 31 Across. (7)
12. See 31 Across. (7)
13. Cheerleader Commissioner? (5)
14. Places ornate Inca stool. (9)
15. Overdue story back in bed. (7)
16. Mere ups become the highest. (7)
18. Goes to court for appearing? (7)
21. Records of confused *Sun* item. (7)
23. Ten mangle atrociously one above the crowd. (9)
25. Strange stern tears. (5)
27. Rank created in new lord, in a loose way. (7)
28. Desire created via CARE package. (7)
29. See 31 Across. (4)
30. See 31 Across. (5)
31. Informal title held by 1, 3, 11, 12, 29, 30 Across, and 21 Down. (4)

## DOWN

1. Good book gets good grade in liver product. (5)
2. Fights for crazy Roger's first egg lusts. (9)
4. Strange 154 day description of old building. (3-4)
5. Blocks things? (7)
7. Must arrange oaths. (3,2)
8. Avengers shun piers selectively. (9)
9. Bordeaux product involved cartel. (6)
10. Take evening meal in humble dwelling for silence. (4,2)
15. Accomplishes with second circuits removed? (6,3)
17. One sex event upset broad. (9)
19. Freudian term and fish out of gear. (6)
20. Scrambled male egg for handicap. (4,3)
21. See 31 Across. (7)
22. Set Marlon right. (6)
24. Andre wildly attacks big business. (5)
26. A pace around the point is difficult. (5)

Answers to last month's puzzle:

