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AT THE NATIONAL WATER RESOURCES
ASSOCIATION CONVENTION
FRESNO, CALIFORNIA
NOVEMBER 13, 1974

I'm always pleased to meet with officials, members, and friends of this association which has in effect served as the board of directors of diversified Western water development for 43 years. It certainly is fitting to meet here in Fresno, California, the heart of the Central Valley Project. I know of no other place in this country which is more of a showcase for the benefits of water development and management than the San Joaquin Valley.

Forty years ago the fickle rivers in the San Joaquin and Sacramento Valleys roared through the land during the winter and spring and dwindled to a trickle or less during the long hot summers.
Men piling sandbags on Sacramento River levees and men digging wells deeper and deeper in Fresno County dreamed of the day those rivers could be controlled and regulated and those winter flood waters could be stored for future beneficial use.

Today that dream has largely come true. Today, thanks to both public and private efforts, millions of people are able to earn good livings for themselves and their families, live comfortably in modern, clean urban centers throughout the valley, assured of a plentiful supply of clear water and inexpensive power, protected against major floods and able to enjoy fishing, swimming, and boating opportunities unexcelled anywhere.

But not only have the residents of the valley benefitted from those efforts and accomplishments, the entire Nation shares in these benefits. Because of the diversification of crops made possible by irrigation, this valley supplies the people of this Nation and to some extent the peoples of the world with fruits, nuts, vegetables, and meats that would not otherwise be on their tables year-round.
So, as a long-time Reclamation enthusiast, I am indeed pleased to be here today to offer you water resource development leaders of the 17 Western States some of my thoughts on the challenges facing Reclamation and the National Water Resources Association.

The first item I'd like to discuss is our program for the coming year. Some of you may be concerned because of recent news stories to the effect that the President has asked that 50 percent of the Congressional add-ons to the Presidential budget for FY 1975 be deferred by the Congress. To some extent, we share that concern, of course, but even with the proposed deferrals, our budget for the present fiscal year will exceed 480 million dollars, one of the two highest in the history of the Bureau of Reclamation. This includes $310 million for construction.

The administration had requested a total of about $460,705,000 for the fiscal year 1975 program. The Congress appropriated $506,646,000 which includes $26 million originally shown in the State
Department budget for the Colorado River Basin Salinity Control Project, as well as a number of non-budgeted items which the Congress felt should be funded in FY 1975.

On October 31 the President proposed to the Congress the deferral of 50 percent of the add-ons for on-going and new construction. Earlier the White House had asked that spending of carryover funds on the Columbia Basin Project and the Upper Colorado River Storage Project be deferred. The combined total of those deferral requests is about 25.3 million dollars.

As the program stands now, $310 million dollars is provided in the Fiscal Year 1975 budget to continue construction on 85 projects or major units or divisions of projects, and to start three others.

Funds were made available to start construction on the San Felipe, Brantley, and Narrows Projects. Preconstruction work will begin on the Salmon Falls Division of the Upper Snake River Project, Phase II of the Southern Nevada Project, and on four units
of the Colorado River Basin Salinity Control Project. Funds will be available also to start two loans on the Central Nebraska Public Power and Irrigation District and the LaBranza Water District in Calif. Projects.

In addition, funding was provided to initiate investigations on 15 projects in five States—California, Washington, Colorado, Kansas and New Mexico.

Prospects for the Bureau of Reclamation in FY 1976 are uncertain at this time. I am sure that you have heard President Ford speak on the Nation's economic situation and his desire to curtail Federal spending. Consequently, the opportunity for program expansion in the FY 1976 budget appears to be limited.

As you know, the FY 1976 budget is now under consideration by the President, and details of his decisions will not be made known until he submits his budget to the new Congress in January.

We expect energy programs, quite obviously, to receive priority consideration in the 1976 budget.
With budget deferrals currently in the news and with about $25 million of our program involved, it might be well to take a look at the new law that was enacted last July, known as the Congressional Budget and Impoundment Control Act of 1974.

The legislation has five major provisions.

1. It obliges the Congress to focus on overall budget totals, as well as individual items in appropriation bills;

2. It establishes House and Senate Budget Committees and a Congressional Budget Office to coordinate this overall focus;

3. It creates a tight timetable for Congressional action on authorizing legislation and appropriation bills;

4. It changes the fiscal year start from July 1 to October 1 beginning in 1976 with a transitional 3-month period from July 1, 1976, through September 30, 1976; and finally,

5. It requires Congressional agreement on deferrals in the use of funds and reductions in funding levels.
The anti-impoundment language requires the President to submit to the Congress proposals to defer funds or to rescind funds. If either the House or Senate disapproves a proposed deferral by majority vote, the President would have to carry out the program as appropriated by the Congress.

We don't know, of course, what action the Congress will take on the President's request for deferrals. We do know that there will be a lot of new faces in the House of Representatives and conceivably some changes in attitude toward the funding of water resource development and management projects. I do know that we have a missionary job to do with the new Budget Control Committee.

I'd like to talk for a moment on a change in attitude toward funding which is already taking place on a relatively small scale but which might develop into a trend—that is cost participation in advance by local sponsors of projects, frequently referred to as "cost sharing."

Two of the most recent examples of this front-end cost participation are in projects authorized by the Congress this year, both of them in Texas. Local sponsors of the Nueces Project have agreed...
to advance part of their repayment costs for use in post-authorization planning and construction; sponsors of the Cibolo Project will advance all of the municipal and industrial costs allocated to the project.

In addition, the Congress has authorized replacement.

This arrangement has obvious advantages to both the local entity and the Federal Government. It means that a project can move to an earlier construction start. It means a potential savings to both parties because of an accelerated construction schedule. It means an advantage in the competition for Federal dollars, and it lessens the drain on the Federal Treasury for construction funds. Finally, it gives local beneficiaries a greater voice in the planning and decision making.

Of course not all State and local governments have the financial ability to participate in front-end cost sharing for water resource development. But for those that do have the ability, I know of no wiser investment in the future.

I realize I'm preaching to the choir, but I want to talk now about the benefits the Reclamation
program brings to people. In the past three years Reclamation has spent over $1 billion in actual construction. There are those in our society who view these programs with dismay and disapproval. They adhere rigidly to a preservationist philosophy.

But just stop and consider what this concrete and steel does for people. Reclamation is one of the most people-oriented programs in government.

Reclamation now serves about 17 million people in the Western States, 30 percent of the total population. This includes 15 million people receiving municipal and industrial water to meet basic human needs, and 2 million people receiving irrigation water for the production of food and fiber to sustain the needs of 30 million others throughout the Nation.

Fifty billion kilowatts of clean hydroelectric power is marketed by Reclamation from Federal power-plants and transmitted to most of the West over 16 thousand miles of Reclamation-owned transmission lines interconnected with many more thousands of miles of other public and private lines. This is
enough non-polluting, non-water-consuming energy to satisfy the annual requirements of more than 6 million people.

Recreation use at 251 recreation areas now totals over 56 million visitor days each year. Add to this list, flood control benefits, water quality improvement, and fish and wildlife enhancement and you get a broad picture of the direct benefits the Federal Reclamation program provides to people in the West today. With proper management these benefits can be expanded and can serve society virtually in perpetuity. And I haven't even mentioned the jobs created, or the economic underpinning which these water developments have provided in the West over the past 72 years, nor the millions of man-hours of work provided elsewhere in the Nation in supplying materials, tools, machinery, and equipment needed to build, operate, and maintain the facilities, or to grow, harvest, process, market and transport the farm produce.

Many Federal programs of the past decade have been aimed at immediate and frequently short term benefits to society, with the hope that society will
take care of its own longer term needs and desires. Those of us in the resource development field are well aware that projected economic and social benefits do not accrue over night, but we are also well aware that the dividends over the long haul are real and permanent as compared to the short-run handout. The record speaks volumes in what development of renewable resources has done, is doing, and can continue to do in creating jobs for people, real wealth, and the opportunity to improve our quality of life.

Unfortunately, the availability of the water needed to provide such benefits is too often taken for granted. Last winter's energy crisis brought a painful message to the public: gasoline does not originate at the service station pump. Will it take a water crisis to convince the public that water does not originate at the kitchen tap? I certainly hope not.

Yet, at the recent World Energy Conference in Detroit speaker after speaker discussed the need to develop our vast coal resources, the need to
convert oil shale to basic petroleum products, and
the promise of coal gasification and other new
energy forms. But almost nobody discussed the need
for water to make these processes work. In fact,
the need for water was seldom mentioned.

Yet we all know that without water the processes
we are talking about to convert coal and oil shale
into usable sources of energy just won't work.
For example, we know that in the Upper Colorado
Basin, unless we take certain steps now, the demand
for water to produce energy and meet other foreseeable
needs will be greater than the available supply
of water by the year 2000.

It is becoming increasingly clear to me that
today's approach to the problem of meeting future
water needs is frighteningly close to our approach
over the last decade to the problem of meeting
future energy needs. Experts in the field have
been warning us for years that the sources of
energy we had been taking for granted were finite,
and that we had better be looking toward the
development of new sources. As it happened, we
didn't run out of our prime source of energy--oil; we were cut off from much of it by actions of the Arab Nations. This may have been to our long-term benefit, because it forced the public to the realization that, just as the experts had been predicting, sooner or later we must develop more sources of energy in the United States, and become more self-reliant as a Nation. We know that a coal strike is imminent. 130 M tons

Today we are sounding the warning that this Nation can no longer take it for granted that water will be available in the future when and where it is needed. If we don't face up to that fact--and soon--we may, in the not too distant future, be faced with a water crisis which could make the threat to our welfare/imposed by the energy crisis/seem mild by comparison.

What will it take to bring this realization home to the public? There is no outside power which can cut off our water for a few months and thus alert us to the dangers ahead.

True, there was the drought of 1974 in the Midwest which forced farmers on non-irrigated lands to graze
their cattle in what could have been prime acreage while their neighbors on irrigated land reaped bumper crops. And there are the higher and higher food prices at the supermarket. And, affecting people of course is the new demand for more water to produce energy at the same time the demand is rising for water for food, for fiber, for cities, and for industry, for controlling pollution, for fish and wildlife, for recreation, and for enhancing our environment.

Add to this the growing world-wide demand for food, brought about by rising standards of living in emerging Nations and still unrestricted population growth in some parts of the world. For example, India's present population of 600 million is increasing at the rate of two and one-half percent annually. That means 15 million new mouths to feed each year in India alone. World-wide, population continues to spiral upward at the staggering rate of 93 million people a year.

Last week Secretary of State Kissinger recommended to the World Food Conference in Rome the establishment of a worldwide reserve of some 60 million tons of food a year above present carryover levels in order to help meet the growing demand,
and pledged that the United States would make a major effort to increase its production of food to meet the challenge.

The signs pointing to an impending water crisis are there for those concerned enough to look for them. But they are not as visible as the long lines at gas stations which alerted all of us to the energy crisis last year.

How then is the public to be made to realize the threat of a water crisis? Frankly, I just can't see that message getting to the public through anyone else but us...you and me...and others who are concerned about the long-term future of this great Nation. It is our awesome responsibility to alert our friends and neighbors, our business associates and school board members, our bankers and lawyers, and our suppliers and buyers, all of the people with whom we come in contact in the course of our business...to alert them to the very real threat to our national welfare if the total demand for water is allowed to exceed the supply available.
If we get the message across, if the public becomes alert to the real threat of a water crisis, I feel certain we have the ability and the technical skills necessary to forestall or prevent such a crisis.

If we fail, those millions of Americans who were surprised to learn how much we are dependent upon petroleum products will be equally surprised and shocked to learn how much the Nation's survival depends upon the availability of good quality water. I sincerely hope it does not take a water crisis to bring that message home.

In attempting to deliver that message, we must avoid polarization which would attempt to force a choice between development and preservation, between water for energy and water for agriculture. We must search for acceptable common ground—recognizing that the growing needs and desires of mankind are diverse and must be met in a manner that not only will develop and manage our renewable resources for the multiple functions involved but will do so in recognition of the public's desire...yes, demand...
for a whole new set of standards.

There is common ground, I'm sure, that will do both, and thus will serve best the needs of people today as well as those generations far into the future. We must help to bring about general public recognition/not only of the importance of water in our daily lives, but the physical works prerequisite to making it available appropriately in time and place. And we must listen to informed members of the public and involve them in the decision making process.

Finally, we as a Nation must face up to the fact that our work in water resource, conservation, development, and management is not over. We must continue to build--but wisely--to meet tomorrow's needs and to pass on our prosperity to future generations.

The builders made this country great. The builders can keep it great, even though future building standards must recognize a whole new environmental ethic for the benefit of mankind now and for generations to come.

I'd like to close with a story that exemplifies my overall work at the water resources program--and how good it looks.