

DEPARTMENT of the INTERIOR

news release

OFFICE OF THE SECRETARY

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ANDRUS OPPOSES EXCESS LANDS MORATORIUM, PROMISES DELAY UNTIL MARCH 1

Secretary of the Interior Cecil D. Andrus today told Congress he opposes proposed legislation that would place a moratorium on implementation of new Interior Department regulations to limit the size of farms receiving subsidized irrigation water in the West.

"I believe that such a moratorium would not enable us to carry out the intent of the law by establishing fair enforcement standards, and for that reason I oppose the moratorium," he said.

He immediately added that in recognition of concern about Interior's proposed "excess lands" rules, he will take no action to promulgate final regulations prior to March 1, 1978.

In testimony before a Senate Energy and Natural Resources Subcommittee, Andrus also said he would "carefully review comments on the regulations to ensure that we develop a system which will provide those in violation of the regulations a fair period in which to dispose of excess lands, should they be required to do so. Where changes are necessary in the proposed regulations, I will not hesitate to make them."

Citing widespread misunderstanding about the draft regulations, which are now the subject of 10 public hearings in the West and in Washington, D. C., Andrus noted that the proposed rules are intended to enforce development of residential family farms as required by the Reclamation Act of 1902.

"The Federal subsidies involved in providing irrigation water to Reclamation projects are substantial," he said. "For example, the Bureau of Reclamation has estimated the present value of the subsidy in the Westlands Water District (in California) at \$800 million or more than \$1,500 per acre.

"One corporate landowner today holds more than 100,000 acres in that District. Without limitations on land ownership, the subsidy accruing to the land owned by this corporation over the life of the project exceeds \$150 million. This statistic graphically illustrates why acreage limitations are necessary."

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Nevertheless, Andrus said, he will:

-- Use the period between the closing date for comments on the proposed new rules (Nov. 23) and March 1 to assess public comment on "the broader issue of amendments to the present Reclamation law, and consult with member of Congress on these matters."

-- Ask the Secretary of Agriculture for his opinion and recommendations on the regulations, and on the role of acreage limitations and Reclamation law in the context of modern agriculture.

-- Keep an open mind on the residency requirements, especially regarding elderly retired farmers, and recommend changes in the law if needed.

The Secretary also said that the case of California's Imperial Valley is unique because of legal actions still pending. Even if the courts finally hold the regulations do apply there, he said, the Imperial District will be given an extra year to sign contracts for excess land disposal and five years for actual disposal.

"I also intend to explore whether there are additional areas where reliance on nonapplicability is at issue," he said.

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STATEMENT OF SECRETARY OF THE INTERIOR CECIL D. ANDRUS

The publication of proposed new regulations to enforce the excess lands and other provisions of the Reclamation Act of 1902 has brought forth a great deal of comment, controversy, and confusion. I believe it time for a statement clarifying the Administration's position on this issue.

The Department's basic responsibility and objective is to enforce the law as written. No one in this Administration is closed to consideration of changes in the 1902 law, but it is clear, and made even clearer by recent judicial decisions, that the law as written must be enforced. We believe the proposed regulations now before the public will afford us the opportunity for proper enforcement following public comment, and will also indicate the basic statutory changes which may be necessary in the basic law.

The regulations have prompted questions about the basic validity in 1977, of the original Reclamation concept which was clearly aimed at development of residential family farms in the West. The Federal subsidies involved in providing irrigation water to Reclamation projects are substantial. For example, the Bureau of Reclamation has estimated the present value of the subsidy in the Westlands Water District at \$800,000,000 or

more than \$1,500 per acre. One corporate landowner today holds more than 100,000 acres in that District. Without limitations on land ownership, the subsidy accruing to the land owned by this corporation over the life of the project exceeds \$150 million. This statistic graphically illustrates why acreage limitations are necessary.

I continue to believe that family farms are essential to the strength of our nation. This Administration strongly believes that the Federal subsidies now provided through the Reclamation programs should be available to legitimate family farmers but not to large corporations. While conditions of family farming may have changed in some areas since the Reclamation law was passed in 1902, Congress has not seen fit to change the law. Various actions and inquiries are now underway to assess the changes in the law that may be necessary for the future. These include the President's water policy review, the work of the Task Force established by Congress to investigate the Westlands Irrigation District, and 13 hearings throughout the West on the proposed excess lands regulations.

I am deeply concerned about inadequate public understanding of the draft excess lands regulations now out for comment, and I am aware of legislation proposed to place a moratorium on implementation of the regulations. I believe that such a

moratorium would not enable us to carry out the intent of the law by establishing fair enforcement standards, and for that reason oppose the moratorium. Nevertheless, I recognize the concern and want to announce today I will take no action to promulgate final excess lands regulation prior to March 1, 1978. In addition, I will carefully review comments on the regulations to ensure that we develop a system which will provide those in violation of the regulations a fair period in which to dispose of excess lands, should they be required to do so. Where changes are necessary in the proposed regulations, I will not hesitate to make them.

I will also utilize the period between the closing date of comment on the proposed regulations (November 23) and the first of March to assess public comment on the broader issue of amendments to the present Reclamation law, and consult with members of Congress on these matters. Action on the regulations and decisions on amendment should be made together.

I also intend to ask the Secretary of Agriculture for his opinion and recommendations regarding not only the regulations, but the role of acreage limitations and other facets of

Reclamation law in the context of modern agriculture.

On the closely-related matter of residency, I understand that certain hardships might exist under the proposed regulations even though the law was enacted to foster family farming. I remain open on this issue during the review period, particularly in the case of retired elderly farmers. I have already asked the Solicitor to advise me whether flexibility exists in the law to deal with hardship cases. If the law needs to be changed to correct this problem, I will not hesitate to propose legislation.

The Imperial Valley situation, which is to some extent being perceived as representative of all areas subject to excess land requirements, is, in fact, quite unique. The issue of whether the District is or is not subject to acreage limitation is still before the courts and until the matter is settled, I will not apply the new regulations to the District. Even if the regulations are found to apply by the courts, the District will be provided an additional year to sign excess lands disposal contracts, and five years to actually dispose of land before water will be withheld.

There should be, in summary, no doubt that this Administration believes the law should be enforced as written, and believes

family farms remain a viable objective of federally-funded water programs. I remain open to changes in the regulations and the Reclamation Act and will propose those changes only after basic fairness is considered.

I also intend to explore whether there are additional areas where reliance on nonapplicability is at issue.

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