



Well . . . we can handle
most of your problems!

McARTHUR FARM SUPPLY

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JUN 29 1998

June 25, 1998

Mr. Lester Snow
Cal-Fed Bay-Delta Program
1416 Ninth Street, Suite 1155
Sacramento, CA 95814

Dear Mr. Snow,

My wife and I own and operate McArthur Farm Supply. Our gross sales are over \$4.5 million per year, which is comprised mostly of sales to production farming and ranching operation. We employ 15 to 18 people year round and, in this rural community, are considered a large employer. We have some serious concerns about proposals being considered by Cal- Fed with regards to the Bay Delta Program. I would like to submit the following comments.

1. Water Rights

Water rights are an essential ingredient for agriculture in Shasta County. Many families have water rights well over 100 years old, as they are part of the property rights bundle. These water rights are the cornerstone of their agricultural operations and an essential part of their land's value. It is extremely important that these rights are respected and strengthened, not used as an easy solution to a complex problem. The government's longstanding promise to protect regions where water originates must be honored. If this trust is breached, it will rapidly undermine the already fragile economic state of rural communities and be the beginning of the end for California agriculture.

2. Storage

Increased storage capacity must be part of the solution. The fact is California has a shortage of water and the only way to solve it is to increase storage capacity. Taking water from one person and giving it to someone else is not a solution; it only passes the problem on. The possibility of new dams, off site storage and raising Shasta Dam must be looked at as a large part of the solution. Simply adding more people to this state will adversely effect our environment, so some specific areas of environmental concerns will have to be put aside for the better good of the states entire environmental program. The needs of the environment and the population can not be meet without additional storage.

3. California's Budget

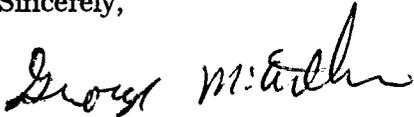
Governor Wilson added an item to California's budget, which designated \$10 million to study the water shortage problem. This is extremely important in the development of new water sources. It is important that this money is kept in the budget in order to go forward with these studies.

4. Conversion of Agricultural Land

The conversion of ag land may seem like a tempting solution, but the long-term ramification will be disastrous. California agriculture feeds the world as well as results in 1 of every 12 jobs in the state. Farmers are a resourceful group and continue to produce higher yields per acre. But these higher yields do not begin to offset the staggering population increases the world is experiencing and the continued loss of farmland by urban sprawl. The 50 million people projected to live in California in the next 20 years will need more than a glass of water and a government check. They will need food and they will need jobs.

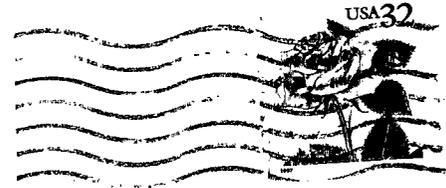
Cal Fed must not base its solutions on the redirection of agricultural water or the conversion of farmland. We want Cal-Fed to succeed, but not by taking the path of least resistance (or least votes). You are considering the fallowing of large portions of the "bread basket" for the world. This land loss would only compound the continued loss of farmland to increased population. At no time has California's leadership been faced with an issue whose long-term consequences could completely undermine our contributions to this country and the world. I urge you to weigh this matter heavily as we will all lose in the long run if these decision are allowed to be short-sighted or politically motivated.

Sincerely,



George McArthur
Owner, McArthur Farm Supply

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