

Calendar No. 606

70TH CONGRESS }
1st Session }

SENATE

{ REPORT
No. 592

BOULDER CANYON PROJECT

MARCH 20, 1928.—Ordered to be printed

Mr. JOHNSON, from the Committee on Irrigation and Reclamation, submitted the following

REPORT

[To accompany S. 728]

The Committee on Irrigation and Reclamation, to whom was referred the bill (S. 728) presents the following report, recommending the passage of S. 728, with the following amendments:

Page 1, line 3, after the word "floods" insert the following: ", improving navigation".

Page 1, line 5, after the word "and" insert the following: "for the".

Page 1, line 5, after the word "the" insert the following: "stored".

Page 1, line 6, after the word "uses" insert the following: "exclusively".

Page 2, line 11, after the word "California" strike out the semicolon, and insert in lieu thereof the following: ", the expenditures for such main canal and appurtenant structures to be reimbursable, as provided in the reclamation law: *Provided, however,* That no charge shall be made for water or for the use, storage, or delivery of water for irrigation or water for potable purposes;".

Page 3, line 9, strike out the period and insert in lieu thereof the following: ", except as herein otherwise provided."

Page 5, line 6, strike out the word "three" and insert in lieu thereof the word "five".

Page 5, lines 11 and 12, strike out the words "or otherwise".

Page 5, line 18, strike out the period and insert in lieu thereof the following: ", made reimbursable under this act.

"If during the period of amortization the Secretary of the Interior shall receive revenues in excess of the amount necessary to meet the periodical payments to the United States, as provided in the contract, or contracts, executed under this act, then, immediately after the settlement of such periodical payments he shall pay to the State of

Arizona 18 $\frac{3}{4}$ per centum of such excess revenues and to the State of Nevada 18 $\frac{3}{4}$ per centum of such excess revenues."

Page 5, line 24, following the comma, insert the following: "and generation of electrical energy".

Page 5, line 24, after the word "to" insert the following: "States,".

Page 6, line 9, strike out the period and insert in lieu thereof the following: " : *Provided, however,* That such contracts shall not provide for an aggregate annual consumptive use in California of more than 4,600,000 acre-feet of the water allocated to the lower basin by the Colorado River compact mentioned in section 12 and one-half of the unallocated, excess, and/or surplus water: *Provided further,* That no such contracts shall be made until California, by act of its legislature, shall have ratified and approved the foregoing provision for use of water in said State."

Page 6, lines 21 and 22, after the word "energy" insert the following: "or for the generation of electrical energy".

Page 6, after line 23, insert the following paragraph:

"Contracts made pursuant to subdivision (a) of this section shall contain provisions whereby at the end of fifteen years from the date of their execution and every ten years thereafter, there shall be readjustment of the contract, upon the demand of either party thereto, either upward or downward as to price, as the Secretary of the Interior may find to be justified by competitive conditions at distributing points or competitive centers, and with provisions under which disputes or disagreements as to interpretation or performance of such contract shall be determined either by arbitration or court proceedings, the Secretary of the Interior being authorized to act for the United States in such readjustments, or proceedings.

Page 7, line 9, after the word "contracts" insert the following "for the use of water and necessary privileges for the generation and distribution of hydroelectric energy or".

Page 7, line 12, strike out the following: "of the project as".

Page 7, line 18, strike out the following: "license;" and insert in lieu thereof the following:

"licenses, except that preference to applicants for the use of water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy, or for delivery at the switchboard of a hydroelectric plant, shall be given, first, to a State for the generation or purchase of electric energy for use in the State, and the States of Arizona, California, and Nevada shall be given equal opportunity as such applicants.

The rights covered by such preference shall be contracted for by such State within six months after notice by the Secretary of the Interior and to be paid for on the same terms and conditions as may be provided in other similar contracts made by said Secretary:

Page 7, line 18, after the word "a" insert the following: "state or a".

Page 7, line 19, after the word "of" insert the following: "water for power purposes or of".

Page 7, line 21, after the word "such" insert the following: "State or".

Page 7, line 22, after the word "utilize" insert the following: "such water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy or".

Page 8, line 7, after the word "horsepower" insert the following: " , upon application to the Secretary of the Interior made within 60 days from the execution of the contract of the agency the use of whose transmission line is applied for,".

Page 8, line 9, after the word "constructed" insert the following: "or to be constructed".

Page 8, lines 15 and 16, strike out the words "the said Secretary shall determine to" and insert in lieu thereof the word "may".

Page 8, line 20, after the word "regulation" insert the following: "improvement of navigation,".

Page 9, line 1, strike out the word "always" and insert in lieu thereof the following: "until otherwise provided by Congress,".

Page 9, line 1, after the word "same" insert the following: "except as herein otherwise provided".

Page 9, line 4, strike out the words "said plant" and insert in lieu thereof the following: "any Government-built plant".

Page 9, line 6, after the word "energy" insert the following: "as herein provided".

Page 9, line 23, after the period, insert the following: "He shall also conform with other provisions of the Federal water power act and of the rules and regulations of the Federal Power Commission, which have been devised or which may be hereafter devised, for the protection of the investor and consumer."

Page 10, line 1, after the word "interest," insert the following: "reimbursable hereunder,".

Page 10, line 20, after the words "Sec. 8" strike out all of the balance of lines 20, 21, 22, 23, 24, and 25.

Page 11, line 1, strike out the word "(b)" and insert the word "(a)".

Page 11, line 12, strike out the word "(c)" and insert in lieu thereof the word "(b)".

Page 11, line 23, after the word "Nevada" insert the following: "or any two thereof,".

Page 12, line 3, strike out the words and figures "June 1, 1928" and insert in lieu thereof the words and figures "January 1, 1929".

Page 12, line 9, after the colon, strike out the balance of page 12 and all of page 13 down to and including the word "Government" line 9, page 13.

Page 13, line 10, strike out the word "(d)" and insert in lieu thereof the word "(c)".

Page 16, following line 5, insert the following:

"The Federal water power act," as used in this act, shall be understood to mean that certain act of Congress of the United States approved June 10, 1920, entitled "An act to create a Federal Power Commission; to provide for the improvement of navigation; the development of water power; the use of the public lands in relation thereto; and to repeal section 18 of the river and harbor appropriation act, approved August 8, 1917, and for other purposes," and the acts amendatory thereof and supplemental thereto.

"Domestic," whenever employed in this act shall include water uses defined as "domestic" in said Colorado River compact.

Page 16, line 19, strike out the word "three" and insert in lieu thereof the word "five".

Page 16, line 21, strike out the period and insert in lieu thereof the following: "as herein provided."

Page 18, strike out all of lines 20, 21, 22, 23, and 24.

Page 18, line 25, strike out the figures "16" and insert in lieu thereof "15".

DISCUSSION OF AMENDMENTS

The reason for many of the committee amendments above outlined are obvious, and made for the purpose of making the various provisions conform one with another. A few of them, however, are entitled to special consideration.

The amendment on page 2, commencing on line 11, making the expenditure for the all-American canal reimbursable under the provisions of the reclamation law, is for the purpose of avoiding conflict with well-established precedent. The latter part of the amendment to the effect that no charge shall be made for irrigation water through the all-American canal is to avoid duplication of charge on the lands. These lands already have a water right, and since they are to reimburse the Government under the reclamation law the act should be perfectly clear that the lands are not to pay additional charges for water service.

The amendment on page 5, following line 18, is for the purpose of providing revenue to the States of Arizona and Nevada between which the dam will be located. Upon this amendment there was a sharp division of opinion in the committee. The majority of the committee, however, believed it to be equitable and just that Arizona and Nevada should receive a part of the excess profits of the project. The particular percentages specified are in conformity with the provisions of the Federal act to promote the mining of coal, oil, etc., in the public domain, which provides that moneys paid in by licensee for rights and privileges under the act shall be divided in such way that the State in which the project is located shall receive 37½ per cent thereof.

The amendment on page 6, line 9, provides that the Secretary shall not make contracts for use in California for an aggregate amount of water exceeding 4,600,000 acre-feet per year, and one-half of the surplus or excess water. This amendment, like numerous other provisions of the bill, is designed to give further assurances to the various States, particularly those in the upper basin, against any undue advantages or rights to California.

The amendment on page 6, following line 23, provides for readjustment of rates on power contracts. The theory of this amendment is to keep the rates as high as economic conditions will justify, in order, first, that the Government will receive its money at as early a date as possible; secondly, that there will be excess profits for the States of Arizona and Nevada; and also, that the contractee will not unnecessarily suffer in the event economic conditions would require a lowering of the rates.

The amendment on page 7, line 18, relates to preferences, and particularly gives each of the adjacent States exclusive right to contract for such power as it may use within its own boundaries up to one-third of the total power output upon such State entering into contracts for repayment the same as any other contractee.

The amendment on page 8, line 7, affects the joint transmission line provision, and is quite material in that it makes clear that a smaller contractor, desiring to use the lines of a larger contractor, must make application for such use within 60 days from the time the larger contractor receives his contract. In that case, the larger contractor knows within 60 days from the date of his contract

whether or not he will be obliged to share his line, and because of this clarity he can not be injured.

PLAN OF REPORT

The plan of the report is as follows:

Part I: Generally of the project, its development, and plan.

Part II: Flood control and river regulation.

Part III: All-American canal and water supply.

Part IV: Domestic water.

Part V: Power.

Part VI: Financial soundness of project.

THE PROJECT GENERALLY

Senate bill 728, reported favorably by the Committee on Irrigation and Reclamation, is the culmination of many years of technical and scientific research, study, and investigation, and of the efforts of the Federal Government and the various States affected to harness the waters of one of the great rivers of the world. The Colorado River is 1,750 miles in length. Its drainage area embraces 242,000 square miles in the United States. It rises in the States of Wyoming and Colorado and flows through those States, Utah, and Arizona, and forms part of the boundary between the States of Arizona and Nevada and Arizona and California, and finally discharges into the Gulf of California.

The stream measurements taken over a period of 27 years show an average annual discharge of nearly 17,000,000 acre-feet (this after irrigation depletion above). The run-off varies greatly from year to year. In 1902 it was but 9,110,000 acre-feet. In 1909 it was 25,400,000 acre-feet. The seasonal variation of the river is also sharply marked, the flow ranging from more than 200,000 cubic feet per second when in flood to as low as 1,250 in low water. The rim of the upper drainage basin of the river is composed largely of high mountain ranges. The melting snows from these ranges and the rainfall increase its volume. The lower portion of the basin is composed of hot arid plains of low altitude broken by short mountain groups. The central portion consists of a high plateau, through which the river runs for hundreds of miles in a deep and narrow canyon.

As the river flows rapidly into the canyon region, it picks up an enormous amount of silt. Its average discharge of silt yearly, at Yuma, is about 110,000 acre-feet, an amount equal in volume to the total excavations by the United States from the Panama Canal.

In its quieter moods the waters of the Colorado River are easily controlled and may be beneficially utilized in the fertile valleys it traverses; but as summer approaches, the melting snows often convert this stream into an indescribable raging torrent, which, through the ages, with irresistible force has torn into the high plateaus of Arizona and Nevada and carved out mighty chasms, sometimes even to a depth of 5,000 feet.

The havoc that the river at its flood has wrought, its very destruction of the territory through which its torrents have swept all before it, have provided the means for its control and for the beneficial use of its waters now running to waste. Through great deposits of rock

the waters have cut, leaving towering perpendicular walls between which dams may be constructed at a minimum of effort and expense. Immense basins have been carved out where its waters can easily be stored. It has distributed the material carried down by its floods over the low-lying lands in the valleys below, converting the otherwise barren and worthless desert into highly productive and fertile soil. A menacing and destructive agency in its natural state, the Colorado River but awaits development and control, to be one of the great contributing factors to the wealth of the Nation and the happiness of the people of all of the territory of the Southwest. Successive administrations have recognized not only the possibilities of regulation and control of the Colorado River but the necessity for that regulation and control. From the time of President Roosevelt to that of President Coolidge, the Federal Government has recognized the problems of the Colorado River and the lands dependent upon it, and that these problems because of their country wide and international aspects were national in character and a matter of national concern. The present bill embodies the conceded solution of years of painstaking care and thorough study and investigation by the ablest engineers of our country. It seeks not only the control of one of the Nation's great rivers, but endeavors to remove the danger and the menace which, like a pall, has rested upon tens of thousands of American citizens, utilizes what is now waste water for reclamation, irrigation, and domestic use, and ends the intolerable conditions now surrounding the Imperial Valley in its water supply.

The citizens in the Imperial Valley and the territory contiguous thereto have long been praying the Congress for relief from the perilous position in which the Colorado River in its erratic moods has placed them. Imperial County is the southeasterly county of the State of California. It borders upon Mexico. In its conformation physically it is different from any other part of our country and possibly different from any part of any other country in the world. The fertile valley which takes its name from that of the county is in shape like a saucer. Along the rim of a part of this saucer-shaped land flows the turbulent Colorado River. Beneath is the valley, 250 feet below the level of the sea. The rainfall is negligible. It is a natural desert composed of silt from the river that flows above it and which, during the ages, has reclaimed the sea, for the Imperial Valley at one time undoubtedly was a part of the Gulf of California, which gradually has been filled by this silt deposit of the Colorado River.

One thing, and one thing alone, makes the Imperial Valley possible for productivity and habitation. One thing transforms a hideous desert into a modern paradise, and that one thing is water. From one place, and one place alone, can water be obtained, and that place is the Colorado River. The Colorado is an American stream. It has its source in the United States, as had been related. It is true that it meanders through Mexico and finally finds its outlet in the Gulf of California. But it is an American river, and it is an American river to which Americans in America are entitled first. Each season, because of the silt it carries, its bed rises higher. It is restrained and controlled by dykes and levees. The height of these levees has been constantly increased until to-day they are built to the danger point and can not be built higher.

Storage above and the regulation of the flow are now recognized as the only means of protection from floods, not only for the Imperial Valley but for a part of Arizona, a part which by reason of its development has become a productive, valuable, and beautiful territory. The flood danger, so far as the Imperial Valley is concerned, is unlike that which exists in any other part of the United States. In other localities, destructive floods may occur with untold losses, and yet the waters subside and the territory affected ultimately recover. In the Imperial Valley floods mean water entering the basin of the saucer-shaped land with no possible outlet. Millions of dollars have already been expended, not only by the localities affected, but by the Federal Government, in the attempt to protect the lower basin of the Colorado River from floods. Levees at times have no sooner been built than they have been washed away. Here finally is presented a unified plan for protecting those entitled to protection, for the allocation among the States desiring that allocation of the waters of a great river to which all are entitled, for the elimination of intolerable conditions by which a fertile and productive part of the United States is dependent for its very life upon water which flows through Mexican territory, and finally for converting into a great national asset a wasteful and destructive agency, and by its control reclaiming for homes for Americans, land now arid and worthless.

The project contemplates the construction of a large dam and storage reservoir at Boulder or Black Canyon where the Colorado in its mad moments has prepared precipitous perpendicular granite or basalt walls more than 1,600 feet in height. In addition, an all-American canal for the protection of the lands of Imperial and Coachella Valleys is provided for. The dam will be approximately 550 feet in height and will create a water storage of 26,000,000 acre-feet.

And at the beginning and at the end of this report, it should be made plain that the entire project will finance itself; that the bill provides no work shall be undertaken and no money expended until the administration has provided for the adequate repayment of every penny that may be expended. The testimony demonstrates conclusively that the money for the work under this bill will be forthcoming, and that this tremendous enterprise, one of the greatest of our generation, fraught with such potential possibilities for good and with such incalculable benefit to our people, will cost the Federal Government nothing except loss of interest on reclamation features, the same as in all other works of this kind, and administrative effort.

PART I. GENERALLY OF THE PROJECT, ITS DEVELOPMENT AND PLAN

PROJECT FINANCIALLY ATTRACTIVE TO GOVERNMENT

From a financial aspect this project is an attractive one to the Government. There is an active market for the power which will be generated at the dam both for commercial purposes and for pumping in connection with a domestic water supply for southern California cities. The Imperial Valley is a proven irrigable area. Established and going districts will be responsible for the cost of the canal. While

the Government will in the first instance advance funds for the construction of the works, all advancements will be repaid to the Government within 50 years and those for purposes other than reclamation, with interest at 4 per cent per annum. Moreover, the bill specifies that no money is to be advanced until the Secretary of the Interior has secured contracts for the delivery of water and for power assuring the Government full repayment of its outlays with interest.

The authorized appropriation is \$125,000,000, covering \$41,500,000, the estimated cost of the dam; \$31,000,000, the estimated cost of the canal; \$31,500,000, the estimated cost of a power plant at the dam; and \$21,000,000 interest during construction. The last item, however, represents no active appropriation, but is solely for the purpose of returning to the General Treasury interest upon the other \$104,000,000 during the period of construction and before the works can begin to yield a return. It is largely a bookkeeping arrangement to fix the amount for which beneficiaries of the project will be charged.

Again, the building of a power plant at the dam is left optional with the Secretary of the Interior. If he elects not to build the plant, but instead to lease the rights to use water for power generation, the \$104,000,000, representing the total cost of the works authorized will be reduced to \$72,500,000 and the item of interest during construction will be correspondingly reduced.

FINANCIAL FEATURES OF BILL PREPARED BY TREASURY DEPARTMENT

Particular consideration has been paid to the financial features of the bill. As they appear, with slight modifications in the form of committee amendments, they are in the form prepared by the Treasury Department and may therefore be said to be suitable and appropriate both to the carrying out of the project and to the requirements of that department.

PURPOSES OF PROJECT

The project will serve four main purposes:

(1) It will relieve a very serious and ever-present flood danger to the Imperial Valley as well as other sections along the lower river both in Arizona and California. Imperial Valley occupies a sink or basin lying from 100 to 350 feet below the head of the river. It has no drainage outlet. Hence its flooding means its permanent destruction.

(2) It will end an intolerable situation, under which the Imperial Valley now secures its sole water supply from a canal running for many miles through Mexico, as well as make possible the reclamation of public lands lying around the rim of the present cultivated section of the valley.

(3) It will conserve flood waters of the river which in addition to providing for irrigation development will make it possible for cities of Southern California to contract for and secure a domestic water supply from the water thus saved.

(4) It will create a large amount of desirable hydroelectric power, making the project a financially feasible one.

The construction of the dam in addition to providing efficient flood control and making available the flood waters for irrigation and domestic uses, will fully regulate the flow of the river. With

its flow unregulated, the river can not be successfully used as a highway for commerce; in its regulated form it will provide a safe and dependable flow below the dam that can be used by power boats and other small craft. The reservoir created by the dam will be the largest artificial lake in the United States and capable of successful navigation.

PROJECT HAS BEEN FULLY INVESTIGATED

The project has been under consideration for many years. Government agencies have made long and careful investigations respecting its feasibility and necessity. Unusually extensive committee hearings have been had.

The committee has actually visited the region affected by the project and held hearings there. Four years ago the Secretary of the Interior in a report to Congress on the project, tersely said:

The Colorado River has been under observation, survey, and study, and the subject of reports to Congress since the close of the Civil War. More than \$350,000 have been expended by the Bureau of Reclamation since the Kinkaid Act of May 18, 1920. More than \$2,000,000 have been expended by other agencies of the Government. The time has arrived when the Government should decide whether it will proceed to convert this natural menace into a national resource. (Hearings on H. R. 2903, 68th Cong., 1st sess., p. 818.)

The results of the investigations referred to by the Secretary of the Interior were laid before the committee in the form of voluminous reports and by testimony of engineers in charge of investigations.

In addition, the Secretary of the Interior, during the summer of 1927, requested Hon. James R. Garfield, former Secretary of the Interior; Hon. Frank C. Emerson, Governor of Wyoming; Hon. James G. Schrugham, former Governor of Nevada, and Dr. William F. Durand, of Stanford University, to investigate the problems of the river, and individually make their findings thereon. This was done in a painstaking way, and the reports of the special advisers submitted to the Secretary were laid before the committee and printed in full in the hearings. These special advisers concur with the Government engineers.

The Secretary of the Interior in his report to this committee January 21, 1928, after reciting the many reasons why this bill should be approved, all of which appear in his full report attached hereto, said:

For the reasons stated I recommend the favorable consideration of S. 728.

BOULDER (OR BLACK) CANYON PROPER LOCATION FOR DAM

The overwhelming weight of opinion favors the Boulder or Black Canyon site. These two sites are close together and are frequently termed the upper and lower Boulder Canyon sites. A dam at either site will inundate practically the same territory. Natural conditions at this point are extremely favorable for the construction of a great dam at a minimum of cost. An immense natural reservoir site is here available. A development at this point will fully and adequately serve all purposes—flood control, reclamation, and power. It is the nearest available site to the power market; an important element from a business or financial standpoint.

As said by Mr. Hoover, Secretary of Commerce:

I believe the largest group of those who have dealt with the problem, both engineers and business folk, have come to the conclusion that there should be a high dam erected somewhere in the vicinity of Black Canyon. That is known usually as the Boulder Canyon site, but nevertheless it is actually Black Canyon. The dam so erected is proposed to serve the triple purpose of power, flood control, and storage. Perhaps I should state them in a different order—flood control, storage, and power, as power is a by-product of these other works.

There are theoretical engineering reasons why flood control and storage works should be erected farther up the river and why storage works should be erected farther down the river; and I have not any doubt that given another century of development on the river all these things will be done. The problem that we have to consider, however, is what will serve the next generation in the most economical manner, and we must take capital expenditure and power markets into consideration in determining this. I can conceive the development of probably 15 different dams on the Colorado River, the securing of 6,000,000 or 7,000,000 horsepower; but the only place where there is an economic market for power to-day, at least of any consequence, is in Southern California, the economical distance for the most of such dams being too remote for that market. No doubt markets will grow in time so as to warrant the construction of dams all up and down the river. We have to consider here the problem of financing; that in the erection of a dam—or of any works, for that matter—we must make such recovery as we can on the cost, and therefore we must find an immediate market for power. For that reason it seems to be that logic drives us as near to the power market as possible, and that it therefore it takes us down into the lower canyon. (Hearings on S. 320, 68th Cong., 2d sess., p. 601.)

Mr. Garfield, one of the special advisers to the Secretary of the Interior, in his recent report said:

I am satisfied that the most favorable site for first construction is at Boulder Canyon. At that point the opportunity is afforded to construct a dam which would impound approximately 26,000,000 acre-feet of water, thus assuring, as far as it is humanly possible to assure, the storage of floods and permit a flow in the river below at such times and in such quantities as would provide for future irrigation and prevent the disasters which have been and will be attendant upon unregulated floods.

The recent report of Governor Scrugham to the Secretary of the Interior also said:

UPPER BOULDER CANYON AND LOWER BOULDER CANYON OR BLACK CANYON

These two sites, on account of their adjacent location and marked superiority to all other locations, are best considered together.

1. Both sites are topographically well adapted for the construction of a high dam and large impounding reservoir.

2. The rock formation at the upper Boulder site is granite. At the lower Boulder or Black site it is a highly silicified adesitic tuff which is more monolithic in character.

3. For the same height of dam above low water, the Black Canyon site will give somewhat larger reservoir and storage capacity. For the same elevation of economic high-water level the advantage is very much in favor of the Black Canyon site.

4. This lower site also has available large deposits of suitable gravel and other necessary construction materials which will reduce construction costs.

5. The Black Canyon site is readily accessible by rail and wagon road. The upper Boulder, Bridge, Diamond, and Glen Canyon sites are all very difficult of access.

6. The Black Canyon site has more suitable bedrock for dam foundation at distinctly less depth than other sites examined. The canyon walls are closer together and there are more favorable locations for the proposed power house and construction camps. All of these items will tend to reduce construction costs.

7. The Black Canyon site is closer to the territory to be served by the reservoir than any of the previously mentioned sites thus reducing costs and losses of transmission.

A disadvantage which has been urged against both the upper and lower Boulder Canyon locations is the existence of extensive salt deposits within the reservoir area. The matter has been made the subject of most careful examination by the writer and a number of geologists, notably Dr. F. L. Ransome. The salt outcrops are generally in bluffs covered with heavy insoluble overburden. The total quantity is impossible to estimate but the amount which would go into solution in the reservoir water is so negligible that it would not noticeably affect its salinity. The action of the water on the salt would be to undermine the insoluble overburden and cause it to settle on the exposed salt faces. This action, together with an additional covering of silt deposited from the reservoir water can be depended upon to minimize the dissolving action. For all practical purposes the dilution of the salt will be so great as to render it harmless.

The statement of Governor Emerson in his report as special adviser on the subject is as follows:

A reservoir of 26,000,000 acre-feet capacity, created by the construction of a comparatively high dam at Black Canyon on the Colorado River some 40 miles distant from Las Vegas, Nev., would afford satisfactory solution of the problems set forth in paragraph 3 herein and would also meet the requirements specified by paragraph 4 herein. In addition, such a reservoir project would make practical the development of a large amount of hydroelectric power as well as provide for the extension of present irrigated areas and for additional valuable uses of water for domestic, municipal, industrial and other purposes.

The most feasible site for a high dam upon the Colorado River to solve the major problems now existent upon the lower river is situated at Black Canyon, some 40 miles from Las Vegas, Nev.

The reservoir project described in paragraph 5 and commonly known as the Boulder Canyon project, would constitute a great constructive undertaking and appears to afford the best solution of the entire situation applying to the lower Colorado River.

FEDERAL GOVERNMENT THE PROPER AGENCY TO UNDERTAKE DEVELOPMENT

Because the Colorado River is an interstate and international stream and because of the various conflicting uses of water such as for flood control, reclamation of public lands, and power generation, the Government is the proper and logical agency to undertake this development. It is well equipped for this purpose. The Reclamation Service has had wide experience in large dam construction. For the Government to undertake this work does not mean its going into business in an objectionable sense. Even if the Secretary of the Interior elects to build a power plant at the dam and operate it, this will mean but a very small force of men in the Government service and the most the Government will be authorized to do will be to sell energy wholesale at the plant. Again, the economic consequences of a development of this importance are such that the Government should maintain a control greater than can be secured through the usual regulatory processes. Benefits from natural assets of the magnitude here involved should be fairly and widely distributed. This can best be accomplished by the Government taking the initiative, as in the bill provided. This idea was well expressed by the Secretary of the Interior in his report of January 12, 1926, on the project, where he said:

Interstate and international rights and interest involved, the diversified benefits from the construction of these works, the waiting necessities of cities, for the protection of those already developed, and the immense industrial benefits which may come from the production of cheap power, which together appear to render the construction and subsequent control of these works a measure of such economic and social importance that no agency but the Federal Government should be entrusted with the protection of rights or distribution of its

opportunities. All uses can be coordinated and the fullest benefits realized only by their centralized control. (Hearings on S. Res. 320, 69th Cong., 1st sess., p. 868.)

A similar view was voiced by the President in a telegram to C. C. Teague, of date October 7, 1924, in which he said:

The major purposes of the works to be constructed * * * involve two fundamental questions which must always remain in public control—that is, flood control and the provision of immense water storage necessary to hold the seasonal and annual flow so as to provide for the large reclamation possibilities in both California and Arizona.

These considerations seem to me to dominate all others and to point logically to the Federal Government as the agency to undertake the construction of a great dam at Boulder Canyon or some other suitable locality * * * (Hearings on S. 727, 68th Cong., 2d sess., p. 13.)

This thought was also clearly expressed by the late President Harding in the manuscript of an address which he expected to deliver at San Diego. He was prevented from delivering this address by death. He said:

Such a gigantic operation may not be accomplished within the resources of the local communities. It is my view, and I believe the accepted view of a large part of our people, that the initial capital for the installation of these engineering works must be provided by the American people as a whole, and truly the American people as a whole benefit from such an investment. The addition to our national assets of so productive a unit benefits, not alone the local community created by it, but also, directly and indirectly, our entire national life. * * * I should indeed be proud if, during my administration, I could participate in the inauguration of this great project by affixing my signature to the proper legislation by Congress through which it might be launched. I should feel that I had some small part in the many thousands of fine American homes that would spring forth from the desert during the course of my lifetime as the result of such an act and in the extension of these fine foundations of our American people. (Hearings on H. R. 2903, 68th Cong., 1st sess., pp. 1884, 1885.)

The views of the advisory committee to the Secretary of the Interior on this subject are as follows:

Mr. Garfield:

The jurisdiction of a single State is not broad enough to deal with all the problems that necessarily arise in the construction and development of such a project as that under consideration. The United States alone has the power properly to safeguard the interest and rights of all those who may be affected by such a major development and is, furthermore, the only political agency that can deal with and settle the international questions arising with Mexico.

The United States Government is not only the political sovereign whose jurisdiction is broad enough to deal with all the phases of the problem but it is likewise the largest land owner along the bed of the Colorado. Hence, whatever theory of the use of water is adopted in any particular State, the use of the public domain in that State can only be obtained under congressional act, and Congress may impose in such act whatever conditions it deems wise.

Governor Emerson:

The construction and operation of the described project is a logical and, in some phases, even a necessary undertaking of the Federal Government, for the following reasons:

- (a) The international situation applying to the river.
- (b) Flood control as a national problem.
- (c) Reclamation of land as an accepted Government activity.
- (d) Magnitude of project and of various interests involved.

Governor Scrugham:

With all of the above factors in mind, it appears entirely proper and practicable for the Federal Government to undertake the first step in river development, which is the construction of an adequate dam and reservoir for flood and

silt control, reimbursing itself for the costs from sales of stored water and the large quantities of power which can be incidentally generated. Future developments of the river by private or municipal enterprise will suffer no interference therefrom.

HOW THE PROJECT TOOK FORM

As early as January 12, 1907, President Roosevelt submitted to Congress a message upon the problems of the lower Colorado River, in which he outlined and urged a development which will become a reality upon the completion of the project here authorized. Thus, he said:

The construction work required would be: The main canal, some 60 miles in length, from Laguna Dam into the Imperial Valley; the repair and partial construction of the present distribution system in the valley and its extension to other lands mainly public; diversion dams and distribution systems in the Colorado River Valley, and provision for supplementing the natural flow of the river by means of such storage reservoirs as may be necessary.

Proceeding in his message, he said:

The Imperial Valley will never have a safe and adequate supply of water until the main canal extends from the Laguna Dam. At each end this dam is connected with rock bluffs and provides a permanent heading founded on rock for the diversion of the water. Any works built below this point would not be safe from destruction by floods and can not be depended upon for a permanent and reliable supply of water to the valley.

On February 16, 1918, by contract between the Secretary of the Interior and the Imperial irrigation district provision was made for the creation of an all-American canal board to consist of one member named by the Reclamation Service, one by the district and one by the University of California, such board to investigate the feasibility of an all-American canal. The engineers selected were Dr. Elwood Mead, now Commissioner of Reclamation; W. W. Schlecht; and C. E. Grunsky.

This board reported on July 22, 1919, recommending an all-American canal.

On May 18, 1920, Congress passed the so-called Kinkaid Act, by which the Secretary of the Interior was directed to make investigation of the problems of the lower Colorado and report back to Congress his recommendations as to the proper plan of development. An appropriation of \$20,000 was made. As investigations proceeded this was supplemented by appropriations from the Imperial irrigation district, Arizona, Los Angeles, Pasadena, and other interested communities, aggregating \$171,000. Other appropriations were made by Congress, making a total of about \$400,000.

A preliminary report was completed in the early part of 1921. Public hearings on this were had by the Secretary of the Interior, and on February 28, 1922, his formal report recommending in substance the project here authorized was transmitted to Congress. This report is published as Senate Document No. 142, Sixty-seventh Congress, second session.

Bills were introduced in both Houses to carry out the recommendations of the report, and hearings were had.

Passage of legislation (the forerunner of the present bill) was recommended by the Interior Department in a communication to the House Committee on Irrigation, on June 14, 1922. (Hearings on H. R. 11449, 67th Cong., 2d sess., p. 4.)

It was again urged by the department in a communication to the House committee on March 17, 1924. (Hearings on H. R. 2903, 68th Cong., 1st sess., p. 818.)

The project was favorably reported on by engineers of the Reclamation Service in February, 1924, in a voluminous report which has been before this committee and considered by it, but which has not been published. This report contains a wealth of technical data on irrigable areas, various plans of development of the river, cost estimates, and similar data.

On January 12, 1926, the Interior Department again recommended the project in a report to which reference is herein frequently made. (Hearings on S. Res. 320, 69th Cong., 1st sess., p. 867.)

The President recommended the development in his message of December 6, 1927.

The Secretary of the Interior in his report of January 21, 1928, on this bill recommended the development and approved the plan contained in the bill. His report in full is attached hereto.

The financial plan contained in the bill has been approved by the Secretary of the Treasury. (Report to House committee.)

This summary, by no means complete, of the various reports and recommendations upon this project, indicates the great care and long study which it has received from various Government departments and agencies and from congressional committees. It is as a result of all these that the project has taken its present form.

COLORADO RIVER COMPACT

About the time the Interior Department reported to Congress pursuant to the Kinkaid Act, there was launched a plan to settle water rights on the Colorado River by interstate agreement. The efforts made to consummate such an agreement and the differences and disputes growing out of it have played an important part in the consideration of the project by Congress. Much of the testimony presented before the various committees have had to do with this.

Briefly, a seven-State agreement was signed by representatives of the interested States at Santa Fe, N. Mex., on November 24, 1922. All the States except Arizona promptly ratified this compact. Arizona, however, has thus far refused to ratify and no assurances have been forthcoming that it will ratify in the immediate future.

In 1925 a six-State ratification of the compact was suggested by States in the upper basin for the purpose of making the compact effective without Arizona. With Arizona out of the compact, however, it followed that California's approval on this new basis effectively made her the guarantor of the obligation of the whole lower basin. Under this plan any encroachment by Arizona upon the water allotted to the upper basin States would have to be made up by California. With Arizona refusing to agree to any limitations upon her use of the water of the river, California was forced to take the position that she could not safely assume this new and additional obligation for the benefit of the upper States without assurance of large storage and that her assent to the compact should therefore become effective only upon this assurance of large storage by Congress. With this storage, there will be water for all and upon its authorization by Congress, California's ratification becomes effective upon a six-State

basis. With assurances of storage, California has offered to ratify the compact unconditionally and waive the provision requiring approval by any specific number of States. Since California is the place where the upper basin States fear the creation of new and enlarged water rights, her unconditional ratification of the compact, together with the protective provisions contained in the bill, which provisions were written by the upper basin States themselves and included at their special request, afford proper and adequate protection to the upper basin.

The compact is satisfactory to six of the seven States affected. Arizona alone has continued to withhold her approval. More than five years have been consumed in the effort to satisfy Arizona and obtain her ratification, thus making it unanimous. The compact was signed by her commissioner, and at one time lacked only one vote of having the approval of her legislature. It is not thought that Arizona would be injured by its terms.

This development has been much needed for a long time. It has been before Congress continuously since 1921, but has been delayed in the hope of full agreement among the States. Every possible effort seems to have been made. Further delay is not justified. As said by Mr. Hoover more than two years ago:

I have felt that the public interests of the people involved is so great that the whole of this enormous work should not be held up because of this last remaining fraction of opposition.

The upper basin is protected under the bill. The upper-basin States have physical control of more than 80 per cent of all of the water of the Colorado River system, therefore, if California is bound by the terms of the compact on any basis the upper basin is fully protected. Necessarily, before any State in the upper basin could be disturbed in her use of water, a lower-basin State would be obliged to be a moving party through the courts. With California bound by the compact, they would simply transfer their defense to that State and California would be obliged to look to their protection. This, however, is not their only protection.

With these works constructed and owned and operated by the Government and since the United States is the most considerable owner of lands adjacent to the river through its entire length, including its tributaries, the United States is in position physically to enforce such terms and conditions upon the use of the water as it may desire. This bill expressly approves the compact and assents to all all of its terms so far as the United States is concerned. The representatives of the upper-basin States have prepared and submitted the numerous protective devices for their own benefit. These amendments not only include the approval by the United States but subjects the United States and each and every agency thereof, to its terms. Not only that, but requires the Secretary of the Interior in the construction and operation of the project, to conform to all of the terms and conditions of the compact, and inasmuch as no rights can be acquired in the project except by contract, as specifically required in the bill, this provision is very effective. But in addition to that, all patents, grants, concessions, easements, rights of way, or other evidences of rights from the United States are impressed with all of the provisions of the compact as a matter of law, and many other

safeguards are incorporated for their benefit. It is thought that their protection is complete.

The passage of the bill, it is thought, will very early make the compact effective and settle an interstate controversy of long standing. Any further delay will almost inevitably lead to an abandonment of the interstate compact as a method of settling rights to the waters of the river, and compel resort to other methods and processes which, under the circumstances, would be highly unfortunate.

While the project here authorized is vital to many sections in the lower basin, the bill is no less important to upper-basin States. By giving congressional approval to the compact, these States are assured in perpetuity water rights, the value of which can not be overestimated. It is a mistake to think of this bill as one merely for the benefit of California or Nevada or Arizona. By "enthroning the Colorado River compact" it assures to the States of Colorado, New Mexico, Utah, and Wyoming the water rights so essential to their future.

The views of Mr. Garfield in his report on the development are as follows:

Many legal questions have been raised dealing with powers of the several States through which the Colorado River runs: The question of whether the Colorado is subject to ownership by the State; whether the doctrine of beneficial use of riparian rights should govern and whether Congress has the power to allocate water between the various States. Many of the discussions on those points fail to take into consideration the practical questions which I have attempted to outline. The purpose of the seven-State compact was to settle by agreement the conflicting opinions expressed on many of the legal points to which reference is made. It is unfortunate that the compact has not been ratified; on the other hand, if it be ratified, there will still be questions concerning which individuals will disagree and the determination of which can only be effected through the Federal courts.

The decisions of the Supreme Court of the United States on many questions involved are numerous and with all of which you are thoroughly familiar. I think for the purposes of this report, there is no need to refer to any of those decisions. Their general effect conclusively establishes the right of Congress to do that which is suggested in the construction and development of the Boulder Dam.

The seven State compact was evolved for the purpose of compromising the differences of opinion which have arisen between the people of the various States regarding the development of the Colorado. It is unfortunate that the compact has not been ratified by all the States, but failure of ratification does not prevent the Federal Government from going forward with the construction if Congress so decides. It is also true that no single State could, either directly or indirectly through a corporation created within its jurisdiction, proceed with the development.

PART II. FLOOD CONTROL AND RIVER REGULATION

THERE IS URGENT NEED FOR FLOOD CONTROL IN THE LOWER COLORADO

One of the important purposes of this bill is to control the floods of the lower Colorado. Danger from flood is serious and is acute. More than 100,000 American citizens are annually subjected to the menace of the river.

In the lower valleys of California and Arizona there are thriving cities and great irrigated areas with property value of \$200,000,000 or more, protected from the river only by means of artificial levees.

These levees have been raised and extended until further or better protection by that means is virtually impossible.

The dam here authorized with the consequent large storage will permit of the regulation and stabilization of the river's flow and completely solve the flood danger. Unless prompt action is taken, any year may witness a flood of very serious and possibly disastrous consequences.

PHYSICAL CONDITIONS

Mr. F. E. Weymouth, formerly chief engineer of the Reclamation Service, in his 1924 report recommending the project, stated in the plain and conservative language of the engineer, the physical conditions causing the acute flood menace which exists:

In its present state of partial development, however, the river is a menace no less than it is a benefit. Each spring the snows accumulated on the mountain slopes of the upper basin melt with the advancing season until by the end of May the lower river has become a raging torrent. This flood usually reaches its peak in May or June, after which it ordinarily subsides; the floods have been known to continue into August.

Annually the river carries past Yuma an average of 200,000,000 tons of silt. When the river is not in flood, this silt burden is largely carried to the Gulf, but in times of flood when the river spreads beyond its banks, it drops its load of silt not only at its mouth but wherever along its course the velocity of the water is checked. Especially does this deposition of material occur along and near the banks of its low water channel. These banks are thus built up by successive floods until they hold the waters to such an elevation that the main current of the stream eventually breaks through and finds a new channel in lower ground.

In the delta region below Yuma, being less restricted by natural lateral barriers, this tendency finds widest scope. Here the river has built a conical fan-shaped ridge cutting off what formerly was the upper end of the Gulf of California. Along the crest of this flat delta ridge runs the river; one slope toward the south terminates at sea level at the present head of the Gulf of California, the other extending northerly on a much steeper slope reaches a depression 250 feet below sea level at the rim of the Salton Sea. The portion of the ancient gulf thus cut off constitutes the Salton Basin, the irrigated area of which, lying largely below sea level along the northward delta slope, is known as Imperial Valley.

Again referring to temporary means adopted by Imperial irrigation district for flood protection the report proceeds:

Within a few years at the most the silt deposits will raise the elevation of this latter area to a point where the main current of the floods will again be thrown to the west and north, at which time the assaults of the river on the Volcano Lake levee will be renewed, with assurance that sooner or later another break into the valley will occur.

The menace in case of such a break is not limited as at Yuma and above to the loss of crops and improvements and the cutting away of a few or many acres of valuable land, serious as that menace is. Besides all this, the greater danger here is that the levee once breached and the river at flood turned into Salton Sea, the steep gradient of its course will induce the cutting through the soft alluvial soil of a gorge in which the flow may not be checked until a large part of the valley has become submerged beneath the waters of an inland sea. (Hearings on H. R. 2903, 68th Cong., 1st sess., pp. 711, 712.)

It should further be pointed out that, in addition to destroying crops and damaging lands, the Imperial Valley has the decided disadvantage of being below sea level and having no outlet for the water. Ordinarily, the flood waters from any stream finds its way back into the stream as the flood subsides. This is not the case in Imperial Valley. There the flood waters remain in the basin until taken out by the slow process of evaporation.

DANGEROUS SHIFTING CHANNELS

In 1905 the river turned northward from its channel on the crest of the delta and flowed into the Imperial Valley for nearly two years before the break could be closed, thus forming a lake of some 300 square miles known as the Salton Sea. Through heroic efforts on the part of the Southern Pacific Railroad Co., at the request of President Roosevelt, the break was closed in 1907 and the river returned to its channel. The United States then expended approximately \$1,000,000 in the building of what is known as the Oekerson Levee to prevent another such disaster as that of 1905. This levee was barely completed, however, when in 1909 the river washed much of it away and turned westward into what is known as Bee River to Volcano Lake, still in Mexican territory, but in a lower depression on the delta. The river flowed on this course for 10 years, and was kept there by means of an extensive levee system built by the people of Imperial Valley. By 1919, through its immense silt deposit, the river had filled the bed of Volcano Lake and Bee River to such an extent that it was again flowing on a ridge and the levees could no longer be made to hold it. The Imperial irrigation district then at an expense of approximately \$700,000 constructed an artificial channel from Bee River to what is known as Pescadero River and turned the river southerly into a triangular depression between Volcano Lake on the west and the old channel on the east. This is the area referred to by Mr. Weymouth in his report from which quotation is made.

This is the last remaining depression on the delta.

SILT AGGRAVATES FLOOD DANGER

The river has an annual discharge at Yuma of more than 100,000 acre-feet of silt. This silt greatly aggravates the flood menace. No temporary works can be built to hold it. It was the silt deposit that built the deltaic ridge on which the river now flows. It was the silt deposit that filled the Bee River and Volcano Lake, so that the river could no longer be held at that point, and the same silt deposit will quickly fill the depression where the river now flows.

The gradient to the north into Imperial Valley is much greater than that to the south into the Gulf, and when the depression is filled there is no means known which, at any cost within reason, can prevent the river from again flowing into the Imperial Valley.

The dam proposed in this bill will catch and hold the silt. Most of the silt finding its way onto the delta is from and above the canyon section. If no other dams were provided on the river, the one proposed in this bill would retain all of the silt finding its way into the reservoir for a period of 300 years, and for more than 100 years before its storage capacity and usefulness would be seriously interfered with. As other dams are constructed on the river they will catch and retain the silt, thereby further extending the usefulness of the Boulder Canyon Reservoir.

PAST FLOODS ABOVE IMPERIAL VALLEY

The Colorado River is subject to periods of great floods and great droughts. It has been known to reach a maximum discharge of more

than 200,000 cubic feet of water per second and a low flow at the head works of the Imperial system of 1,250 cubic feet of water per second.

This causes extremely serious flood situations all along the lower river. Floods above Imperial Valley, were they not overshadowed by the exceptional flood danger to Imperial Valley, would attract attention and call for remedial measures. In 1916 the water stood 2 feet deep in the streets of the town of Yuma and threatened its destruction. In 1922 the river inundated a large part of Palo Verde Valley and the water stood several feet deep in the town of Ripley in that valley, destroying much property and otherwise causing a large amount of damage. Other floods have submerged the Parker Valley and also done serious damage to the city of Needles.

The greatest flood danger, however, is to the Imperial Valley, lying far below the river's channel and with no outlet for flood waters once they enter the valley.

PAST FLOODS THREATENING IMPERIAL VALLEY

In 1914, the Volcano Lake Levee was breached and 10,000 cubic feet of water per second flowed through the levee into the Imperial Valley for many days before the levees would be repaired. More serious results were avoided by means of hundreds of men placing bags of earth on top of the levee.

In 1918 the Ockerson Levee, which had been rebuilt by Imperial irrigation district, was breached in two places. The flood water was successfully turned westward to Volcano Lake by other levees, but not until after several thousand acres of land had been inundated and the workmen and a Southern Pacific train marooned. In a course of two days the men were removed but the train was held until the flood subsided some three months later.

In 1919, before the river was turned into Pescadero Cut, the levees were again breached and 4,000 acres of land inundated before the opening could be closed. The river was so high and the water soaked earth so soft that maintenance work could not be carried on by the usual means of dumping rock from trains operated for that purpose. This was found to be the case after a locomotive and cars had been lost in the attempt. Numerous smaller breaks have occurred. In 1925, with only 50,000 second-feet of water, the river turned against the levees and in two different places undermined and destroyed them for distances of several hundred feet. This again occurred in 1926. These smaller breaks are of annual occurrence and serious results have been prevented only by constant vigilance. Telephone communication is maintained throughout the entire length of the levees and numerous watchmen are constantly on patrol. Strings of dump cars are kept loaded with rock and during high water locomotives kept under steam for immediate use.

LEVEE SYSTEM

The imperial irrigation district has about 78 miles of protective levees in Mexico. The Yuma project has about 30 miles in Arizona and California, built and maintained by the Government, and Palo Verde irrigation district has several miles of similar levees for the

protection of Palo Verde Valley. These levees are of necessity built of loose silt upon a foundation of similar material. They are faced with rock, hauled long distances by dump cars upon standard-gauge tracks, maintained on the levees for that purpose. Levees thus constructed afford only partial protection. When the river strikes the levee it is not its overtopping that is so much feared, but the water will quickly eat away the loose material and the levee simply settles down and virtually disappears.

EFFECT OF FLOOD MENACE

Four hundred and sixty thousand acres are now being served with water by the Imperial irrigation district. There is not only the possibility of this land being inundated, but there is a constant knowledge that a comparatively small break in the levee system could destroy irrigation works and cut off water for irrigation and domestic purposes. This creates a constant feeling of uncertainty. Property values are less than half of what its income would justify. Capital for full development can not be had and where money is obtained it is obtained at an excessive rate of interest. The Federal farm loan banks refuse to lend any money in Imperial Valley because of these conditions.

The happiness of the people, the security of their property, and the proper development of this highly productive area depend largely upon adequate flood control.

UNANIMITY OF VIEW AS TO FLOOD DANGER AND NEED OF QUICK RELIEF

An outstanding feature of the testimony before the committee was the unanimity of view respecting the existence of the flood danger, its seriousness, urgent need for quick action, and that storage up the river was the solution. Engineers like A. P. Davis, F. E. Weymouth, Gen. George Goethals, and William Mulholland joined with responsible executive officials like Mr. Herbert Hoover in voicing this idea. Admittedly and concededly, storage at Boulder Canyon as here authorized will effect the greatest measure of security against the river's floods which may be obtained.

PART III. THE ALL-AMERICAN CANAL AND WATER SUPPLY

As said by the Secretary of the Interior in his report to this committee January 21, 1928:

The all-American canal for connecting the Colorado River with the Imperial and Coachella Valleys is an essential part of the plan.

When the reclamation of Imperial Valley was first conceived that valley was nothing but a desert waste. There were no values, no money, and no credit. The private corporation which undertook the work found that by making use of an old channel in Mexico, water could be diverted from the river and carried into this section at a relatively low cost. With water upon these fertile lands, the community developed rapidly and it was not long until it was found that for a large community to be wholly dependent upon the good faith of

a foreign government, even for drinking water, was not at all satisfactory, but to construct a canal wholly within the United States meant the expenditure of a large sum of money. The financing of this great undertaking by the local communities would be difficult, if not impossible, under good conditions, but with an unstable river and an undependable water supply, the difficulties were much increased. Storage and flood control must be had.

Early in the development of Imperial Valley it was found by the promoters of the project that in order to make use of a canal through Mexican territory it was necessary to enter into a contract with that Government whereby lands in Mexico were given the right to take one-half of the water passing through the canal. During recent years development has proceeded in that country to the extent that at the present time something more than 200,000 acres of land are receiving water from the canal system. This can, and doubtless will, under present conditions, continue to be increased year by year, and under the concession they would have the right to increase their use by 200,000 acres before the people of Imperial Valley would have the right to complain. In other words, they have the right to use as much water in Mexico under this contract or concession as the people in Imperial Valley use.

The Boulder Dam, together with the all-American canal, makes possible the physical control of the river by our Government so that undue or unreasonable extension of the use of water in Mexico may be prevented and treaty rights and obligations enforced. In this regard, the all-American canal is essential to the protection of American water rights in the whole of the Colorado River Basin.

A COOPERATIVE EFFORT

The all-American canal will carry a portion of the conserved waters to where they can be used for irrigation and domestic purposes. Looked at in a somewhat narrow way, it represents a cooperative enterprise between Imperial irrigation district, which serves the present irrigated area in Imperial Valley, the Coachella County water district, a public district embracing in its limits the Coachella Valley, and the United States as owner of approximately 200,000 acres of public land about the rim of Imperial Valley, and about 11,000 acres of Indian lands now without water but possessing the same possibilities of development with water as the fertile lands in the valley. Neither Imperial irrigation district, the Coachella district, nor the United States could afford alone to build a canal from the river. Acting in conjunction, the canal is entirely feasible.

By this cooperative effort, the water is saved for use in the United States; these communities are relieved of intolerable operating conditions and the United States, as proprietor of public lands, will secure a water supply for these lands under exceptionally favorable conditions, and as economic conditions warrant, the same can be put under cultivation at relatively low cost.

ALL-AMERICAN CANAL FEASIBLE

On February 16, 1918, by contract between the Secretary of the Interior and the Imperial irrigation district, provision was made for

the creation of an all-American canal board, to consist of one member named by the Reclamation Service, one by the district, and one by the University of California, such board to investigate the feasibility of an all-American canal. The engineers selected were Dr. Elwood Mead, now Commissioner of Reclamation; W. W. Schlecht; and C. E. Grunsky. This board, after full investigation, determined upon the canal proposed and recommended the construction.

The all-American canal, as to its feasibility, cost, and economic necessity was discussed by the special advisers to the Secretary of the Interior in their recent reports as follows:

Mr. DURAND. From the above it seems a fair conclusion that while the blow and drift sand will present a problem in connection with the maintenance of the canal, there seems no ground whatever for counting this problem as one of serious or of controlling importance, and in no case as likely to involve an item of expense of any serious import in connection with the operation of the canal.

Passing now to the question of the engineering or economic feasibility of the canal under (a) and (b) above, it should be noted that the entire question reduces to one of cost. There is no question whatever of the engineering possibility of the undertaking. The operations required are well known and are all within the domain of present well established and approved engineering practice. The section of the canal through the so-called sand dune district is the only part of the construction regarding which any serious question under this score has been raised.

Referring to cost estimates, after discussing the basis of his conclusions, Mr. Durand said:

The statement therefore seems justified that the downward trend in many of the unit prices since 1919 combined with definite improvements in the mechanical equipment required for work of this character have created a new situation with regard to the costs of such work and with the same margin for contingencies as assumed in the report of 1919, would justify a downward revision of the costs as presented in that report. Or otherwise if the estimate of cost be held the same, it would imply a very considerably increased margin for contingencies or unforeseen factors in the undertaking.

Such a reestimate has indeed been made by a consulting engineer of Los Angeles, Mr. C. G. Frisbie, a consulting engineer with wide experience in work of this character and with large personal experience in and familiarity with the conditions in the Imperial Valley through which the canal is to pass.

These estimates show a probable cost of about \$20,000,000 as against the \$30,000,000 of the report of 1919.

The undersigned has gone over these estimates carefully with Mr. Frisbie and has become convinced broadly that the improvements made during the past eight years in the mechanical equipment for excavating and handling materials as well as other collateral economic conditions are such as to justify the expectation of reduced unit prices and of the construction of the canal at an over-all cost somewhat below the figures originally estimated.

Governor EMERSON. The best solution of the situation would be the construction of the all-American canal.

Governor SCRUGHAM. Economically this canal will be an advantage in that it will permit the irrigation of an additional 200,000 acres by gravity and keep the sources of water supply and transmission entirely in the United States. Under present conditions, the fact that the main canal to the Imperial Valley is partly in Mexican territory is a continuous source of irritation. The proposed canal itself is undoubtedly feasible from an engineering point of view. All operations necessary for construction are of common practice and offer no special difficulties. Opponents of the project have represented that a section of the line known as the sand dunes would require prohibitive costs for construction and that drifting sand would quickly fill the canal. These fears do not seem to be well founded. The Suez Canal traverses similar sand dunes and no special construction or maintenance difficulties were encountered. Canals through sand hills were examined in certain localities in the United States and no serious troubles were reported. There has been a marked improvement in excavating machinery in very recent years which will tend to cut the unit costs of moving yardage to figures less than estimated in the report of 1919 made on the subject. There

appears no doubt but the canal can be constructed within the estimated sums. In the matter of keeping the canal clear of drift sand, the testimony of observers is that there is appreciable sand movement only about 60 days a year and the rate of advance of the dunes is almost negligible. A concrete road now running through the low passes in the dunes report very little sand accumulations and no difficulty whatever in keeping the road open for traffic. Even if the sand accumulations were much greater than anticipated, the lining of the sand dune canal section with concrete, increasing the gradient and covering the banks with vegetation would doubtless obliterate most of the difficulties.

Governor EMERSON. The international situation applying to the Colorado River is of much importance, but the construction of the described project need not await solution. In fact, the undertaking should prove of material assistance in solving the international problem.

Much testimony was heard by the committee on this feature of the project, and it is thought that the construction of the canal is not only entirely feasible from engineering and economic views, but is necessary to the immediate safeguarding and protection of the water supply of the lower communities, and to the ultimate conservation of the waters of the Colorado River for use in the United States.

WATER SUPPLY

The only source of water for irrigation and domestic use below Boulder Canyon and including a very large area in Arizona and California is the Colorado River and its tributaries. That section of California including Palo Verde and Imperial Valleys must rely wholly upon the main stream of the Colorado River.

The low flow of the river is now completely utilized. Four times in recent years the Imperial Valley, which is supplied from the lowest point of diversion, has taken all of the water from the stream. In 1924 all of the water was taken for about 90 days, and for 76 consecutive days the river was completely dry below the Imperial Valley head gate. During much of this time there was not sufficient water for the needs, and at one time only 1,250 cubic feet of water per second were available for the Imperial canal system, when at that time the needs were for about 4,000 cubic feet of water per second. The low-water period in the river comes in August, September, and October, at a time when water shortage even of brief duration is disastrous. The crop loss on account of water shortage in 1924 is estimated at more than \$5,000,000. The development in the upper and lower basins of the river is proceeding rapidly and this water shortage is bound to be repeated unless the flood water is stored in a great reservoir as provided for in this bill.

NOT SUFFICIENT WATER FOR ALL

It is extremely doubtful if there is sufficient water in the river for all land susceptible of irrigation, including lands in Mexico. Because of physical conditions, Mexico, under present arrangements, can develop much more rapidly in the future than can the lands in the United States. Its lands are near the river and irrigation work is inexpensive.

If Mexico obtains water for its full development, it seems almost certain that a somewhat similar area in the Colorado River Basin in the United States, that otherwise would be reclaimed, will forever remain a desert.

With Mexico on the upper end of the canal that serves Imperial Valley, Mexican development will proceed. There will thus be created, at the expense of lands in the United States, a great community in Mexico, served with water originating in the United States and competing with American farmers.

PRESENT DIVERSION

The present headworks of the Imperial system consist of a delivery gate some 750 feet in length in the west bank of the Colorado River 6,000 feet above the international boundary line. On account of the low-lying banks of silt material, it has been found impossible to construct and maintain a permanent diversion weir or dam without flooding the Yuma Valley, now highly productive, under the Yuma reclamation project of the United States. About 1915 it was found, by reason of changes in river channel, that water could not be diverted into the Imperial system without some artificial works in the river. The people of the Yuma Valley obtained an injunction against the construction of such works. The necessity of the case was such, however, that since that time temporary works have been put in the river annually by the Imperial irrigation district under a contract with the Yuma County Water Users' Association by the terms of which the Imperial irrigation district assumes full responsibility for any damages which may result to the Yuma County Water Users' Association, or anyone else on the Yuma project, by reason of such construction, and to guarantee payment the district is required to have executed annually and maintain a surety bond in the amount of \$500,000. In addition to this the district agrees to, with all possible dispatch, change its point of diversion to the Laguna Dam, and is required to make bimonthly reports to the War Department as to progress being made.

COACHELLA VALLEY

Special mention should be made of the conditions of the Coachella Valley, lying at the northern end of Imperial Valley. This valley, like Imperial Valley proper, is below the channel of the river and is subject to the river's flood menace. It is not served by the present Imperial system nor can it be served by this system being above the level of the main canal. It secures its water supply from wells fed by waters from the mountains lying to the west and north. The drainage area being small, water levels are constantly going down and people of that section see facing them, in the very near future, the necessity of letting their highly productive ranches go back to desert. There are in this valley at least 72,000 acres of fine, irrigable lands, 13,000 of which are now under cultivation and are producing crops of the same general character as in the Imperial Valley proper, but reaching the markets usually from one to two weeks earlier. This fine land could be irrigated from the all-American canal, in the construction of which lies the only hope of this section.

PART IV. DOMESTIC WATER

The construction of the high dam at Boulder or Black Canyon, besides accomplishing the purposes of flood control and irrigation, and besides making possible the development of a large amount of

electrical energy to finance the cost of the works, will, incidentally, enable a large number of cities in southern California to secure a much needed water supply.

The coastal belt of southern California includes a strip of land from 20 to 60 miles in width, bordering on the Pacific Ocean from Los Angeles to the Mexican boundary, a distance of about 150 miles. It includes the counties of Los Angeles, San Bernardino, Riverside, Orange, and San Diego, south and west of the high mountains. This coastal belt has a population of more than 2,000,000. The present population of Los Angeles County is something over 1,500,000, of which more than 1,000,000 are within the limits of the city of Los Angeles.

The four counties of Los Angeles, San Bernardino, Riverside, and Orange, from the standpoint of ultimate water supply are a unit. San Diego County is somewhat detached from the others and may present a unit of its own.

The water supply of the coastal belt of southern California is affected by cycles of wet and dry periods, periods of 10 to 12 years, in which the average rainfall and stream flow are below normal, followed by periods of similar duration, in which they rise above normal. Owing to increase of population, even average water conditions will leave a shortage of supply in a few years. To meet this situation, the cities of that region have been investigating possible sources of additional water supply. These investigations have shown that about 1,500 second-feet of water for domestic purposes will be required for these communities, and that the only possible source is the Colorado River. Plans are being formulated to go to that river for such supply. Naturally, the city of Los Angeles, because of its size and wealth has taken the lead. That city has, by an overwhelming vote, authorized a bond issue of \$2,000,000 for preliminary investigation and construction, a large part of which has been expended.

Plans for obtaining water from the Colorado River for southern California cities contemplate an aqueduct about 260 miles in length, and taking water from the river near the town of Blythe, Calif., which is about 150 miles below Boulder Canyon. This aqueduct will cost, according to preliminary estimates, about \$150,000,000. Water will have to be lifted by pumping about 1,400 feet in order to surmount an intervening mountain range.

A public district is now in process of formation embracing Los Angeles, Pasadena, Glendale, and about 20 other interested cities, to carry through this domestic water project. This district will require for pumping purposes a large block of electrical energy, amounting, when the aqueduct is operated to full capacity, to possibly 350,000 horsepower, thus adding materially to the market for power from the dam.

A high dam creating large storage is essential in order that these cities may obtain the water they need from the Colorado River. It will impound for useful purposes large quantities of flood waters of the river which now annually waste into the sea and will have the effect of desilting the river flow and thus making it suitable for domestic use.

The unquestionable needs of southern California cities for domestic water will assure heavy contributions, on account of water stored and delivered and power for pumping purposes, to Government revenues from the project.

PART V. POWER

The Federal Government is interested in power on the project as a means by which the great works authorized may be financed without a drain on the National Treasury.

In the hearings on the project a mass of testimony was produced bearing upon the market for power. Showings were made as to the future requirements and markets for such power in Los Angeles, Pasadena, Riverside, and other cities of southern California, of the States of Nevada and Arizona, of transcontinental railroads, and the private distributing companies. It was also developed that southern California cities, in connection with a greatly needed domestic water supply from the Colorado River, would require a large block of the power for pumping purposes.

Although the testimony clearly indicated an ample and waiting market, yet, in view of the whole situation, the Secretary of the Interior in his report on the bill of January 12, 1926, suggested the following very simple and practicable plan of determining the question of adequacy of such market, and thus removing this problem from the field of speculation:

In order to give assurance before any large expenditure is incurred that the anticipated revenues from this development will be obtained the bill should contain a provision that before any bonds are issued and sold and before awarding any contracts for construction, the Secretary of the Interior shall secure the execution of contracts with irrigation districts, municipalities, and corporations, on terms to be fixed, for the delivery of all water to be supplied for irrigation, domestic, and municipal uses, and shall obtain definite commitment for the purchase of power from responsible bidders in an amount to insure a sufficient return from this development to repay the money to be expended with interest within a period of 50 years.

This suggestion was cheerfully accepted by the proponents of the legislation, met with the approval of the committee, and is expressed in the bill, section 4 (b) of which provides:

Before any money is appropriated or any construction work done or contracted for, the Secretary of the Interior shall make provision for revenues, by contract, in accordance with the provisions of this act adequate, in his judgment, to insure payment of all expenses of operation and maintenance of said works incurred by the United States and the repayment, within 50 years from the date of the completion of the project, of all amounts advanced to the fund under subdivision (b) of section 2, together with interest thereon made reimbursable under this act.

It may be confidently expected that this somewhat unusual and rigorous requirement will promptly be met.

The plan of the Boulder Canyon project, as expressed in the bill, contemplates allocation of the power or power rights at Boulder Canyon amongst various agencies, including States, political subdivisions, municipalities, domestic water-supply districts, and private companies.

The evidence clearly indicates that the total power developed at Boulder Canyon will about supply the available waiting market when such power is ready for distribution. There should not be any serious overlapping of applications, and the proper allocation to all agencies in the market for the power should be easily possible without doing injustice to any.

With such a distribution of power or power rights at the dam, all danger of monopolization will be avoided, and there will be created

a sound competitive condition between these various agencies which will insure the consuming public protection in the form of reasonable rates and good service.

One other point is here entitled to mention. Early in the hearings it was suggested that the bringing in, at one time, of this great block of power would flood the market and work hardships on private investments. This suggestion was due to lack of understanding of the plans. Power may be made available when the dam reaches the necessary height for power-plant operation, and may be gradually increased to the total amount as the dam reaches its maximum height, or approximately during a period of three years. Thus the power will enter the market gradually.

It has been urged by some that a development at Boulder Canyon does not fit in with a comprehensive plan of development of the river. The committee is satisfied that this is not so. Other development may proceed without interference by reason of this project. Secretary Hoover in his testimony regarding the location of the dam declared:

I do not believe that construction at that point is going to interfere with the systematic development of the Colorado River for storage and power above and below.

PART VI. FINANCIAL SOUNDNESS OF PROJECT

The Secretary of the Interior, in his report of January 12, 1926, gives his estimate of the financial working of the project as follows:

<i>Capital investment</i>	
Estimated cost for—	
26,000,000 acre-foot reservoir	\$41, 500, 000
1,000,000-horsepower development	31, 500, 000
The all-American canal	31, 000, 000
Interest during construction on above, 5 years, at 4 per cent.	21, 000, 000
Total	125, 000, 000
<i>Annual operation</i>	
Estimated gross revenues from—	
Sale 3,600,000,000 kilowatt-hours, power at three-tenths cent.	\$10, 800, 000
Storage and delivery of water for irrigation and domestic purposes	1, 500, 000
Total	12, 300, 000
Estimated fixed annual charges for—	
Operation and maintenance, storage, and power	700, 000
Operation and maintenance, all-American canal	500, 000
Interest on \$125,000,000, at 4 per cent.	5, 000, 000
Total	6, 200, 000

Estimated annual surplus, \$6,100,000, or thought to be sufficient to repay the entire cost in 25 years.

It will be observed that the allowances he makes for operation and maintenance are extremely liberal. The testimony points to costs being more favorable than thus indicated.

COST ESTIMATES HAVE BEEN CAREFULLY MADE

The cost estimates given by the Secretary of the Interior are the result of long and painstaking studies of that department. Mr. F. E. Weymouth, then chief engineer of the Reclamation Service, under whose personal supervision the major part of the studies were made, testified before the House committee as follows:

We have on our consulting staff Mr. A. J. Wiley and Mr. Louis Hill, and we have consulted them regularly in reference to this whole problem. We have had several engineering board meetings to consider the various phases of the problem, especially in reference to types of dams and methods of construction and cost of all that sort of thing. They were outside of our regular engineering force.

Asked about the engineers in his organization, he stated:

Mr. Walker Young, who is present to-day, has had charge of the investigations in Boulder Canyon for about three and a half years. Mr. Young had more to do than anybody else in the actual working out of the detailed designs and estimates, but he at all times had the advice of our chief designing engineer, Mr. J. L. Savage, whose headquarters are now in Denver, and also of the whole designing force of that office.

Mr. Savage has under his charge about 25 or 30 engineers of all kinds. In addition to that, we have had the assistance of Mr. Gaylord, who was until very recently our chief electrical engineer, and his assistants, and Mr. Dibble and his assistants. In the study of the water supply, the irrigable areas, and the control of the river for flood or for power purposes, Mr. Debblor, who is here to-day, has made most of those studies.

We had Mr. Ransome, a geologist of the Geological Survey, make a very exhaustive geologic examination and report on the Boulder Canyon reservoir and dam site, and Mr. Jenison, of the Geological Survey, also assisted him. The Bureau of Standards has done a lot of work for the service testing materials for construction. There is another man that I forgot to mention, a very valuable engineer and geologist, Mr. Homer Hamlin. The most work that has been done perhaps was done by Mr. Arthur P. Davis while he was the director of the service.

Well, we have utilized our regular forces a great deal; Mr. James Munn, who was formerly a contractor and is, perhaps, one of the best construction men in the country. We have had his advice, especially in reference to unit costs that we have used in the estimates.

Concerning the advisory board, composed of Mr. Wiley and Mr. Hill, he said:

We have considered with them each step that we have taken as it came up and it has had their approval. (Hearings on H. R. 2903, 68th Cong., 1st sess., pp. 741-743.)

RETURN OF ADVANCES FULLY ASSURED

The provisions of the bill and the character and solvency of the organizations with which the Secretary will contract assures to the Government full return of the money advanced, with interest. It will be no experiment. The Secretary will not be contracting with organizations of doubtful solvency. As to domestic water, as well as power and pumping purposes, his contracts will be with cities or an association of cities with an assessed wealth of well over a billion dollars; irrigation water will be delivered under enforceable contracts to proven and established districts that have been in successful operation for many years; and power, which is the great financial asset of the

project, will be sold to such applicants as the State of Nevada, the State of Arizona, the cities of Los Angeles, Pasadena, Riverside, and Glendale, in California, and to strong private corporations like the Southern California Edison Co., operating in southern California. Each of these agencies has expressed intentions of becoming an applicant for power. These contracts will be binding and enforceable, and the Secretary is not permitted to make any expenditures on the project until such contracts are secured.

After the Government has been repaid, charges for use of the dam and works at the dam shall be on such basis as Congress may authorize. The effect of this provision, when taken in connection with provisions in section 6 that the title to the dam and works there shall remain in the Government until otherwise provided by Congress, is to allow the Government to have these great works even after they have been paid for by the beneficiaries.

Prices for electrical energy are to be fixed to meet revenue requirements and determination of conflicting applications are to be governed by the provisions of Federal water power act, with special preference to adjacent States.

Within a specified time limitation, the Secretary of the Interior may require larger agencies securing power to permit smaller similar agencies to share in transmission lines, upon an equitable basis.

Section 6 requires that water shall be released from the dam, first, in the interest of flood control and river regulation and improvement of navigation; second, in the interest of irrigation and domestic uses, and lastly, for power, thus making power a subordinate use. The title to the dam and works at the dam are always to remain in the United States, which will manage and control the same. There is a proviso in this section, however, permitting the Secretary of the Interior either to lease units of the power plant, if he elects to construct the power plant or instead of constructing a power plant, to lease the privilege of using water discharged for the generation of power. If he pursues either of these alternatives, various provisions of the Federal water power act intended to safeguard the public interest will govern.

CONCLUSION

This is a project which should appeal both to the imagination and the hard business sense of the American people. A mighty river now a source of destruction is to be curbed and put to work in the interest of society.

The people of the Southwest are not asking of the Government this great public improvement as a gift. All they ask is that the Government lend its good offices to make this development possible. Established communities and responsible agencies will bind themselves to return to the Government all moneys expended. The varied interests concerned with the development make a centralized agency necessary. The Government is the logical agency. The beneficiaries assume all the financial obligations. Nor is this quite all. After the development is paid for the Government still will retain ownership and control of the dam for such use as the Congress may deem wise and just.

It is a great constructive improvement, not experimental, sound financially, well considered, shaped in the public interest, one the consummation of which will be a source alike of national pride and advantage.

REPORT OF THE SECRETARY OF THE INTERIOR

WASHINGTON, January 21, 1928.

HON. LAWRENCE C. PHIPPS,

Chairman Committee on Irrigation and Reclamation,

United States Senate.

MY DEAR SENATOR PHIPPS: I have your letter of December 15, transmitting with request for report, printed copies of S. 728 and S. 1274, bills to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

You invite attention to the fact that while these bills have identical titles, they differ in several important particulars, which have been fully considered.

S. 728 is very similar in its general aspects to S. 1868, Sixty-ninth Congress, H. R. 5773, Seventieth Congress, and other bills for this purpose upon which the department has heretofore reported.

The dam and reservoir to be created presumably are essentially those described in the report of the Bureau of Reclamation dated February 28, 1924, which proposes the construction of a dam substantially 550 feet high and a reservoir to impound 26,000,000 acre-feet of water. The present bill provides for construction of a reservoir with capacity of not less than 20,000,000 acre-feet.

I shall therefore consider this development as including three features:

1. A dam approximately 550 feet high creating a reservoir holding not less than 20,000,000 acre-feet of water.
2. Works for the generation of electric power.
3. An all-American canal starting at Laguna Dam and delivering water to the Imperial and Coachella Valley Canals.

1. THE DAM AND RESERVOIR

A dam 550 feet in height is necessary in order to provide a reservoir with sufficient capacity for effective flood control, to meet the needs of water for domestic purposes, and to satisfy irrigation requirements. The reservoir should be so constructed as to serve effectively the purpose intended for not less than 100 years, allowing for the large deposits of silt to be expected. It is these factors which determine the height of the dam.

The reservoir should be regulated primarily to safeguard from the destructive effect of large floods the low-lying land in the valleys of Arizona and California, including the Imperial Valley with its present intensive development. Second only to flood protection is the need for an increased water supply for irrigation during periods of low flow. To meet these two needs, water levels in the reservoir would be raised during flood periods and lowered at other times, thus equalizing the discharge of the river below and securing a regulated flow for irrigation and power. The water so impounded will be sold to cities requiring it for domestic and other municipal purposes and to irrigation districts to increase the water supply for irrigation in seasons of drought and to develop new areas. Water will be sold under the provisions of the reclamation law either for a complete or supplemental water supply.

The height of the dam as fixed will not prevent the construction of the proposed dams at Diamond Creek or Bridge Canyon.

2. WORKS FOR THE GENERATION OF ELECTRIC POWER

The dam if built to the height made necessary to serve the various purposes intended will afford an opportunity for the generation, at comparatively small additional expense, of a large amount of electric power which can be disposed of so as to help repay the cost of this development, make the project a financially solvent undertaking, and contribute greatly to the industrial progress and general prosperity of the Southwest.

3. THE ALL-AMERICAN CANAL

The all-American canal for connecting the Colorado River with the Imperial and Coachella Valleys is an essential part of the plan. It will enable the Government to distribute its stored water effectively and to reach by gravity a large area of land that could otherwise be served only by pumping. If a satisfactory agreement could be reached with Mexico for operation of the existing main canal it might be possible to defer for a time the construction of the all-American canal, but legislative authority for its construction is a necessary feature of this legislation.

GENERAL DISCUSSION

The settlement of interstate and international problems growing out of the use of this river will be promoted by the construction of these works. It will give a more definite basis for negotiations of the International Water Commission appointed by authority of the last Congress in formulating the basis of a treaty with Mexico. The diversified benefits and the new rights to be created include the necessities of cities for increased water supply, the large development of latent agricultural resources, the protection of those already developed, and the industrial benefits which may come from the production of cheap power. These factors appear to render the construction and subsequent control of these works a measure of such economic and social importance that no agency other than the Federal Government should be entrusted with the protection of rights or distribution of its opportunities. All uses can be coordinated and the fullest benefits realized only by their centralized national control.

It is estimated by the engineers that the sum of \$125,000,000 is sufficient to cover construction cost and operating expenses and to finance the project on the plan stated in the bill. There is no reason to question the ultimate solvency of this undertaking if carried out along the lines proposed.

The approval of this project should open the way for other development, and encourage the construction of projects above this dam for development of irrigation, power, or other purpose.

A similar bill, H. R. 5773, has been referred to the Director of the Bureau of the Budget, who advises that the proposed legislation would not be in conflict with the financial program of the President unless the pending revenue bill should result in tax reduction in a materially greater amount than that recommended by the Secretary of the Treasury and by the President.

For the reasons stated I recommend the favorable consideration of S. 728.

S. 1274 does not authorize the construction of a power plant and incidental structures suitable for the fullest economic development of electrical energy. The revenue to be derived from the sale of power is necessary to render the project feasible. In my judgment authority should be given for the construction of such a power plant should it develop that financing of the project is not feasible by bids received under the plan outlined in S. 1274.

I can not recommend, in its entirety, favorable consideration of S. 1274 in its present form.

Very truly yours,

HUBERT WORK.

INDEX

A		Page
Amendments.....		1, 4
All-American canal.....		21
B		
Boulder Canyon proper site.....		9
Black Canyon proper site.....		9
C		
Cost of project.....		28
Compact, Colorado River.....		14
Colorado River compact.....		14
Cooperative effort.....		21
Coachella Valley.....		24
Conclusion.....		29
D		
Diversion, present, to Imperial Valley.....		24
Domestic water.....		24
E		
Effect of flood menace.....		20
F		
Financial features.....		8
Federal Government proper agency.....		11
Flood control and river regulation.....		16
Physical conditions.....		17
Shifting channel.....		18
Silt aggravates.....		18
Past flood above Imperial Valley.....		18
Past flood threatening Imperial Valley.....		19
Levee system.....		19
Effect of.....		20
Unanimity of view on.....		20
Financial soundness of project.....		27
Financial set-up.....		7-8
G		
Government proper agency.....		11
H		
How project took form.....		13
I		
Investigated, project fully.....		9
L		
Levee system not adequate.....		19-20

P		Page
Project generally.....		5
Purposes of project.....		8
Project fully investigated.....		9
Project, how took form.....		13
Power.....		26
R		
River regulation and flood control.....		16
Return of advances assured.....		28
S		
Silt aggravates flood danger.....		13
T		
Treasury prepared financial features.....		3
U		
United States proper agency.....		11
W		
Water supply.....		23
Water, not sufficient for all.....		23

O

[COMMITTEE PRINT]

MARCH 9, 1928

[Including amendments suggested by Senator PITTMAN and
Senator ASHURST]

70TH CONGRESS
1ST SESSION

S. 728

IN THE SENATE OF THE UNITED STATES

DECEMBER 6 (calendar day, DECEMBER 9), 1927

Mr. JOHNSON introduced the following bill; which was read twice and referred
to the Committee on Irrigation and Reclamation

[Amendments by Senator PITTMAN in italics; amendments by Senator
ASHURST in capitals]

A BILL

To provide for the construction of works for the protection and
development of the lower Colorado River Basin, for the
approval of the Colorado River compact, and for other
purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That for the purpose of controlling the floods, ~~improving~~
4 ~~navigation,~~ *improving navigation,* regulating the flow of
5 the lower Colorado River, *and incidentally* providing for
6 the delivery of the stored waters thereof for reclamation of
7 public lands and other beneficial uses *exclusively* within the

1 United States and for the generation of electrical energy as a
2 means of making the project herein authorized a self-
3 supporting and financially solvent undertaking the
4 Secretary of the Interior, subject to the terms of the Colo-
5 rado River compact and the supplementary compact here-
6 inafter mentioned, is hereby authorized to construct, operate,
7 and maintain a dam and incidental works in the main
8 stream of the Colorado River at Black Canyon or Boulder
9 Canyon adequate to create a storage reservoir of a capacity
10 of not less than twenty million acre-feet of water and a main
11 canal and appurtenant structures located entirely within the
12 United States connecting the Laguna Dam with the Im-
13 perial and Coachella Valleys in California, TO UTILIZE
14 WATERS APPORTIONED TO CALIFORNIA BY
15 SAID COMPACTS: *PROVIDED*, THAT IN THE
16 EVENT OF A TREATY BETWEEN THE UNITED
17 STATES OF AMERICA AND THE UNITED STATES
18 OF MEXICO, SAID CANAL AND STRUCTURES
19 MAY BE PARTIALLY LOCATED IN MEXICO, *the*
20 *expenditures for said main canal and appurtenant structures*
21 *to be reimbursable, as provided in the Reclamation Law, also*
22 *to construct and equip, operate, and maintain at or near said*
23 *dam a complete plant and incidental structures suitable for the*
24 *fullest economic development of electrical energy from the*
25 *water discharged from said reservoir, and to acquire by*

1 proceedings in eminent domain, or otherwise, all lands,
2 rights of way, and other property necessary for said pur-
3 poses: *Provided, That such hydroelectric plant and inci-*
4 *dental structures shall not be constructed by the Secretary*
5 *of the Interior if a satisfactory contract or contracts can be*
6 *entered into with a State or States, or public subdivisions*
7 *thereof, or individuals, associations, or corporations, in the*
8 *order of their priority, for the construction of such plant*
9 *and for the fullest economic development of electrical energy.*

10 THE SECRETARY OF THE INTERIOR IS ALSO
11 AUTHORIZED TO CONSTRUCT CANALS AND
12 OTHER WORKS IN THE STATE OF NEVADA, FOR
13 THE IRRIGATION OF SUCH LANDS IN SAID
14 STATE WITH WATER FROM THE COLORADO
15 RIVER AS MAY BE DETERMINED BY THE SAID
16 SECRETARY TO BE FEASIBLE OF RECLAMA-
17 TION; TO CONSTRUCT A RE-REGULATION DAM
18 ACROSS THE COLORADO RIVER NEAR PARKER,
19 ARIZONA, AND CANALS AND OTHER WORKS
20 IN THE STATE OF ARIZONA, FOR THE IRRIGA-
21 TION OF SUCH LANDS IN SAID STATE WITH
22 WATER FROM THE COLORADO RIVER AS MAY
23 BE DETERMINED BY THE SAID SECRETARY TO
24 BE FEASIBLE OF RECLAMATION; AND THE AP-
25 PROPRIATION OF THE NECESSARY FUNDS TO

1 DETERMINE AND CARRY ON SUCH PROJECTS
2 IS HEREBY AUTHORIZED FROM MONEY IN THE
3 TREASURY OF THE UNITED STATES NOT OTHER-
4 WISE APPROPRIATED. SUCH PROJECTS SHALL
5 BE CARRIED ON, DEVELOPED, AND DEALT
6 WITH IN EVERY RESPECT AND PURSUANT TO
7 THE TERMS AND CONDITIONS OF THE RECLA-
8 MATION LAW, EXCEPT FOR THE APPROPRIA-
9 TION PROVISIONS HEREIN MADE.

10 SEC. 2. (a) There is hereby established a special fund,
11 to be known as the *Lower Colorado River Dam Control*
12 fund (hereinafter referred to as the "fund"), and to be
13 available, as hereinafter provided, only for carrying out the
14 provisions of this Act. All revenues received in carrying out
15 the provisions of this Act shall be paid into and expenditures
16 shall be made out of the fund, under the direction of the
17 Secretary of the Interior.

18 (b) The Secretary of the Treasury is authorized to
19 advance to the fund, from time to time and within the
20 appropriations therefor, such amounts as the Secretary of
21 the Interior deems necessary for carrying out the provisions
22 of this Act, except that the aggregate amount of such
23 advances shall not exceed the sum of \$125,000,000:
24 PROVIDED, THAT THE SUM OF \$30,000,000
25 THEREOF SHALL BE ALLOCATED TO FLOOD

1 CONTROL, AND SHALL NOT BE REIMBURSABLE
2 TO THE UNITED STATES. Interest at the rate of 4
3 per centum per annum accruing during the year upon the
4 amounts so advanced and remaining unpaid shall be paid
5 annually out of the fund, except as otherwise provided in this
6 Act.

7 (c) Moneys in the fund advanced under subdivision
8 (b) shall be available only for expenditures for construc-
9 tion and for the payment of interest, during construction,
10 upon *such of the amounts so advanced as are subject to an*
11 *interest charge.* No expenditures out of the fund shall be
12 made for operation and maintenance except from appropri-
13 ations therefor.

14 (d) The Secretary of the Treasury shall charge the
15 fund as of June 30 in each year with such amount as may
16 be necessary for the payment of interest *authorized by this*
17 *Act* on advances made under subdivision (b) at the rate of 4
18 per centum per annum accrued during the year upon the
19 amounts so advanced, *which by the term of this Act are made*
20 *subject to the payment of interest,* and remaining unpaid,
21 except that if the fund is insufficient to meet the payment of
22 interest the Secretary of the Treasury may, in his discretion,
23 defer any part of such payment, and the amount so deferred
24 shall bear interest at the rate of 4 per centum per annum
25 until paid.

1 (e) The Secretary of the Interior shall certify to the
2 Secretary of the Treasury, at the close of each fiscal year,
3 the amount of money in the fund in excess of the amount
4 necessary for construction, operation, and maintenance, and
5 payment of interest *and other payments required by this Act.*

6 Upon receipt of each such certificate the Secretary of the
7 Treasury is authorized and directed to charge the fund with
8 the amount so certified as repayment of the advances made
9 under subdivision (b), which amount shall be covered into
10 the Treasury to the credit of miscellaneous receipts.

11 SEC. 3. There is hereby authorized to be appropriated
12 from time to time, out of any money in the Treasury not
13 otherwise appropriated, such sums of money as may be neces-
14 sary to carry out the purposes of this Act, not exceeding in
15 the aggregate \$125,000,000, OF WHICH THE SUM OF
16 \$30,000,000 SHALL BE ASSIGNED TO FLOOD CON-
17 TROL, AND SHALL NOT BE REIMBURSABLE TO
18 THE UNITED STATES.

19 SEC. 4. (a) No work shall be begun and no moneys
20 expended on or in connection with the works or structures
21 provided for in this Act, and no water rights shall be claimed
22 or initiated hereunder, and no steps shall be taken by the
23 United States or by others to initiate or perfect any claims
24 to the use of water pertinent to such works or structures until
25 the State of California and at least three of the States of

1 Arizona, Colorado, Nevada, New Mexico, Utah, and
2 Wyoming shall have approved the Colorado River compact
3 mentioned in section 12 hereof and shall have consented to a
4 waiver of the provisions of the first paragraph of Article
5 XI of said compact, which makes the same binding and
6 obligatory only when approved by each of the seven States
7 mentioned in said section 12; and shall have approved said
8 compact without condition save that of such approval by
9 the State of California and at least three of the other States
10 mentioned and until the President by public proclamation
11 shall have so declared.

12 SEC. 4. (a) THIS ACT SHALL TAKE EFFECT,
13 AND BE IN FULL FORCE, WHEN THE COLORADO
14 RIVER COMPACT REFERRED TO AND RATIFIED
15 IN SECTION 12 OF THIS ACT, SHALL HAVE
16 BEEN UNCONDITIONALLY RATIFIED BY THE
17 STATES OF CALIFORNIA, COLORADO, NEVADA,
18 NEW MEXICO, UTAH, ARIZONA, AND WYOMING,
19 AND THE PRESIDENT, BY PUBLIC PROCLAMA-
20 TION, SHALL HAVE SO DECLARED, AND THE
21 STATES OF CALIFORNIA, NEVADA, AND ARI-
22 ZONA SHALL HAVE APPROVED A SUPPLE-
23 MENTAL COMPACT APPORTIONING AMONG
24 SAID STATES THE WATERS OF THE COLORADO
25 RIVER SYSTEM ALLOCATED TO THE STATES

1 OF THE LOWER BASIN BY SAID COLORADO
 2 RIVER COMPACT, OR OTHERWISE AVAILABLE
 3 FOR USE IN SAID STATES.

4 No work shall be begun and no moneys expended on
 5 or in connection with the works or structures provided for
 6 in this Act, and no water rights shall be claimed or initiated
 7 hereunder, and no steps shall be taken by the United States
 8 or by others to initiate or perfect any claims to the use of
 9 water pertinent to such works or structures except as herein
 10 expressly provided in section 16 until said Colorado River
 11 compact has been ratified and such ratification proclaimed
 12 as provided in this Act.

13 (b) Before any money is appropriated or any con-
 14 struction work done or contracted for, the Secretary of the
 15 Interior shall make provision for revenues, by contract or
 16 otherwise, in accordance with the provisions of this Act,
 17 adequate, in his judgment, to insure payment of all expenses
 18 of operation and maintenance of said works incurred by the
 19 United States and the repayment, within fifty years from
 20 the date of the completion of the project, of all amounts
 21 advanced to the fund under subdivision (b) of section 2,
 22 together with interest thereon, made reimbursable under this
 23 Act. If the Secretary of the Interior shall receive revenues
 24 in excess of the amount necessary to fully reimburse the
 25 United States as herein required, then, annually, he shall
 26 divide equally between and pay to the States of Arizona and

1 Nevada 50 per centum of such excess revenues, and the
2 remaining 50 per centum of such excess annual revenues shall
3 be held by the Secretary as a reserve fund to meet emergencies
4 or to be applied on successive amortization payments.

5 (b) Before any money is appropriated for the dam at
6 Black Canyon or Boulder Canyon, or for the hydroelectric
7 plant at or near said dam authorized by this Act, or any
8 construction work thereon done or contracted for, the Sec-
9 retary of the Interior shall make provision by contract, in
10 accordance with the provisions of this Act, for the right to
11 the use of water and appurtenant works and privileges neces-
12 sary for the generation and distribution of hydroelectric
13 energy, and/or for the sale of a sufficient amount of the elec-
14 trical energy to be developed at the plant aforesaid, and for
15 the storage of water for irrigation and domestic purposes,
16 adequate in his judgment to insure payment of all expenses
17 of operation and maintenance of said dam and power plant
18 and incidental works incurred by the United States and the
19 repayment within fifty years from the date of the completion
20 of such works of all amounts advanced for such purposes
21 to the fund under subdivision (b) of section 2, together with
22 interest thereon reimbursable under this Act; and before
23 any money is appropriated for the canals and appurte-
24 nant structures authorized by this Act, or any construction
25 work thereon done or contracted for, the said Secretary
26 shall make provision for revenues, by contracts conforming to

1 *the provisions of the reclamation law, adequate in his judy-*
2 *ment to insure payment of all expenses of operation and*
3 *maintenance of said canal and appurtenant structures*
4 *incurred by the United States and the repayment, under the*
5 *terms and provisions of the reclamation law, of all amounts*
6 *advanced for such purposes to the fund under said sub-*
7 *division (b) of section 2. IF THE SECRETARY OF THE*
8 *INTERIOR SHALL RECEIVE REVENUES DURING*
9 *THE PERIOD OF AMORTIZATION IN EXCESS OF*
10 *THE AMOUNT NECESSARY TO MEET THE PERI-*
11 *ODICAL PAYMENTS TO THE UNITED STATES, AS*
12 *PROVIDED IN THE CONTRACT, OR CONTRACTS,*
13 *EXECUTED IN ACCORDANCE WITH THE RE-*
14 *QUIREMENTS OF THIS ACT, THEN HE SHALL,*
15 *IMMEDIATELY AFTER THE SETTLEMENT OF*
16 *SUCH PERIODICAL PAYMENTS, DIVIDE AND PAY*
17 *ANY EXCESS REVENUES AS FOLLOWS, TO WIT:*
18 *TO THE STATE OF ARIZONA, 40 PER CENTUM; TO*
19 *THE STATE OF NEVADA, 40 PER CENTUM; AND*
20 *THE REMAINING 20 PER CENTUM OF SUCH EX-*
21 *CESS REVENUES SHALL BE HELD BY THE SEC-*
22 *RETARY AS A RESERVE FUND TO MEET EMER-*
23 *GENCIES OR TO BE APPLIED ON SUCCESSIVE*
24 *CONTRACTUAL PAYMENTS TO THE UNITED*
25 *STATES AS IN HIS DISCRETION MAY BE CON-*
26 *SIDERED PROPER. AFTER THE UNITED STATES*

1 HAS BEEN FULLY PAID, IN ACCORDANCE WITH
2 THIS ACT, AND THE CONTRACTS EXECUTED
3 THEREUNDER, THEN ALL NET REVENUES
4 SHALL BE DIVIDED AS FOLLOWS, TO WIT: TO
5 ARIZONA, 45 PER CENTUM; TO NEVADA, 45 PER
6 CENTUM; AND TO THE CONTRACTEE, OR CON-
7 TRACTEES, 10 PER CENTUM.

8 SEC. 5. That the Secretary of the Interior is hereby
9 authorized, under such general regulations as he may pre-
10 scribe, to contract for the storage of water in ~~said~~ *the* reser-
11 voir *which will be created by the said dam at Black Canyon*
12 *or Boulder Canyon* and for the delivery thereof at such points
13 on the river and on said canal as may be agreed upon, for irri-
14 gation, ~~and~~ domestic uses, *and generation of electrical energy,*
15 and delivery at the switchboard to *States*, municipal corpora-
16 tions, political subdivisions, and private corporations of elec-
17 trical energy generated at said dam, upon charges that will
18 provide revenue which, in addition to other revenue accruing
19 *from amortization, maintenance and operation charges, and*
20 *power revenues from the canal and appurtenant works*
21 *therein and/or* under the reclamation law and under this
22 Act, will in his judgment cover all expenses of operation
23 and maintenance incurred by the United States on account of
24 works constructed under this Act and the payments *repay-*
25 *ments* to the United States under subdivision (b) of section

1 4: *Provided, That all such contracts to insure the repayment*
2 *of all amounts advanced, under subdivision (b) of section*
3 *2, for the construction of the canals and appurtenant struc-*
4 *tures authorized by this Act, and to insure the payment*
5 *of all expenses of operation and maintenance of said*
6 *canals and appurtenant structures incurred by the*
7 *United States, shall conform to the requirements of the*
8 *reclamation law and shall attach and relate solely to the*
9 *lands coming under and benefited by such canals and*
10 *appurtenant structures, and no obligation or burden for the*
11 *repayment of the amounts advanced for the construction of*
12 *such canals or appurtenant structures or for the payment of*
13 *expenses of the operation and maintenance thereof shall be*
14 *imposed upon the revenues derived from the use of water and*
15 *appurtenant works and privileges necessary for the generation*
16 *and distribution of hydroelectric energy and/or the sale of*
17 *hydroelectric power and/or the storage of water as provided*
18 *for in this Act. Contracts respecting water for irrigation*
19 *and domestic uses shall be for permanent service. No person*
20 *shall have or be entitled to have the use for any purpose of*
21 *the water stored behind said dam at Black Canyon or Boul-*
22 *der Canyon as aforesaid except upon compliance with the*
23 *appropriation laws of the States wherein such water is made*
24 *available, nor except by contract made as herein stated, and*
25 *no such contract shall provide for the delivery or permit the*

1 *diversion of said stored water in any State in excess of the*
2 *respective amounts set forth in this Act or as may be agreed*
3 *upon in any compact entered into and ratified as provided*
4 *by this Act.*

5 *After the repayments to the United States of all money*
6 *advanced with interest, charges shall be on such basis, and*
7 *the revenues derived therefrom shall be disposed of, as may*
8 *hereafter be prescribed by the Congress.*

9 *General and uniform regulations shall be prescribed by*
10 *the said Secretary for the awarding of contracts for the sale*
11 *and delivery of electrical energy, and for renewals under*
12 *subdivision (b) of this section; and in making such contracts*
13 *the following shall govern:*

14 (a) *No contract Contracts for electrical energy or for*
15 *generation of electrical energy shall be of longer duration than*
16 *for a term of fifty years from the date at which such energy*
17 *is ready for delivery.*

18 *Contracts made pursuant to this section shall contain*
19 *provisions whereby at the end of fifteen years from the date*
20 *of their execution and every ten years thereafter, there shall*
21 *be readjustment of the contract, either upward or downward*
22 *as to price, justified by competitive conditions at the prin-*
23 *cipal distributing points or competitive centers, the Secretary*
24 *of the Interior being authorized to act for the United States*
25 *in such readjustments: Provided, That all such contracts*

1 shall be based upon commercial competition with steam power
2 in the available market.

3 ~~SEC. 13. Any commission, corporate entity, or author-~~
4 ~~ity created by and organized under any compact between~~
5 ~~Each of the States of California, Arizona, California, and~~
6 ~~Nevada, may designate a commissioner by or by joint legis-~~
7 ~~lative enactment by the legislatures of said States, who~~
8 ~~shall act in an advisory capacity to the Secretary of the~~
9 ~~Interior in the exercise of any authority conferred upon~~
10 ~~him by this Act, having to do with the enforcement or pro-~~
11 ~~tection of the rights of the said States under said compact~~
12 ~~or legislative enactment, and each of such commission, com-~~
13 ~~missions, corporate entity, or authority shall have at all times~~
14 ~~access to records of all Federal agencies empowered to act~~
15 ~~under this Act and shall be entitled to have copies of said~~
16 ~~records on request.~~

17 (b) The holder of any contract for the use of water
18 and appurtenant works and privileges necessary for the
19 generation and distribution of hydro-electric energy and/or
20 electrical energy not in default thereunder shall be entitled
21 to a renewal thereof upon such terms and conditions as
22 may be authorized or required under the then existing laws
23 and regulations, unless the property of such holder depend-
24 ent for its usefulness on a continuation of the contract be
25 purchased or acquired and such holder be compensated for

1 damages to its property, used and useful in the transmission
2 and distribution of such electrical energy and not taken,
3 resulting from the termination of the supply.

4 (c) *Contracts for the use of water and necessary*
5 *privileges for the generation and distribution of hydroelectric*
6 *energy or for the sale and delivery of electrical energy shall*
7 *be made with responsible applicants therefor who will pay*
8 *the price fixed by the said Secretary with a view to meet-*
9 *ing the revenue requirements of the project as herein*
10 *provided for. In case of conflicting applications, if any,*
11 *such conflicts shall be resolved by the said Secretary, after*
12 *hearing, with due regard to the public interest, and,*
13 *except as herein modified, in conformity with the policy*
14 *expressed in the Federal Water Power Act as to*
15 *conflicting applications for permits and license. That*
16 *preference to applicants for the use of water and*
17 *appurtenant works and privileges necessary for the gen-*
18 *eration and distribution of hydroelectric energy, or for*
19 *delivery at the switchboard of a hydroelectric plant, shall*
20 *be given, first, to a State; second, to a political subdivision*
21 *of a State; third, to citizens of the United States or any*
22 *association of such citizens, or any corporation organized*
23 *under the laws of the United States or any State thereof.*
24 *The States of Arizona, California, and Nevada shall have*
25 *preference and upon an equality with regard to such pref-*

1 *erential rights, and shall be given equal opportunity as such*
2 *applicants: Provided, however, That no application of a*
3 *State or a political subdivision thereof for an allocation of*
4 *water for power purposes or of electrical energy shall be*
5 *denied or another application in conflict therewith be*
6 *granted on the ground that the bond issue of such State*
7 *or political subdivision, necessary to enable the applicant*
8 *to utilize such water and appurtenant works and privileges*
9 *necessary for the generation and distribution of hydroelectric*
10 *energy or the electrical energy applied for, has not been*
11 *authorized or marketed, until after a reasonable time, to be*
12 *determined by the said Secretary, has been given to such*
13 *applicant to have such bond issue authorized and marketed.*

14 *In the event that any of such States shall waive the*
15 *priorities granted to it in this section, then any contract*
16 *entered into with any other contractee with regard to the*
17 *rights, privileges, and benefits provided in this section shall*
18 *contain an express provision that such State so waiving*
19 *its priority shall have the right to purchase from said con-*
20 *tractee from time to time, at the switchboard, hydroelectric*
21 *energy for use in such State in the aggregate equivalent to*
22 *15 per centum of the power so generated or contracted for by*
23 *said contractee and at the switchboard price, such price to be*
24 *determined by deducting from the wholesale market price of*
25 *such power in the principal competitive market the cost of*

1 transporting such power from the switchboard to such com-
 2 petitive market. Said State shall give written notice
 3 to the contractee of the quantity of the power it intends
 4 to so purchase at any time and at least one year in
 5 advance of the time of purchase. Said contractee shall
 6 be required to sell and deliver to said State such
 7 electrical energy in accordance with the terms of this
 8 section.

9 (d) Any agency receiving a contract for electrical
 10 energy equivalent to one hundred thousand firm horse-
 11 power, or more, may, when deemed feasible by the said
 12 Secretary, from engineering and economic considerations
 13 and under general regulations prescribed by him, be required
 14 to permit other similar agency having contracts hereunder
 15 for less than the equivalent of twenty-five thousand firm horse-
 16 power to participate in the benefits and use of any main
 17 transmission line constructed by the former for carrying
 18 such energy (not exceeding, however, one-fourth the
 19 capacity of such line), upon payment by such other agencies
 20 of a reasonable share of the cost of construction, operation,
 21 and maintenance thereof.

22 The use is hereby authorized of such public and reserved
 23 lands of the United States as the said Secretary shall deter-
 24 mine to may be necessary or convenient for the construction,

1 operation, and maintenance of main transmission lines to
2 transmit said electrical energy.

3 SEC. 6. That the dam and reservoir *at Black Canyon*
4 *or Boulder Canyon* provided for by section 1 hereof shall
5 be used: First, for river regulation, ~~improvement of naviga-~~
6 ~~tion improvement of navigation, and protection of Govern-~~
7 ~~ment property,~~ and flood control; second, for ~~irrigation and~~
8 domestic uses and satisfaction of present perfected rights in
9 pursuance of Article VIII of said Colorado River Compact;
10 and third, for ~~power for domestic and irrigation uses; fourth,~~
11 ~~for power.~~ The title to said dam *and* reservoir, plant,
12 ~~and incidental works~~ shall forever remain in the United
13 States, and the United States shall always until otherwise
14 provided by Congress control, manage, and operate the same,
15 *except as herein otherwise provided: Provided, however, That*
16 the Secretary of the Interior may, in his discretion, enter into
17 contracts of lease of a unit or units of ~~said plant any Govern-~~
18 ~~ment-built plant~~ with right to generate electrical energy, or
19 alternatively, to enter into contracts of lease for the use of
20 water for the generation of electrical energy *as herein pro-*
21 *vided*, in either of which events the provisions of section 5
22 of this Act relating to revenue, term, renewals, determina-
23 tion of conflicting applications, and joint use of transmission
24 lines under contracts for the sale of electrical energy, shall
25 apply.

1 The Secretary of the Interior shall prescribe and en-
2 force rules and regulations conforming with the require-
3 ments of the Federal Water Power Act, together with the
4 rules and regulations of the Federal Power Commission
5 thereunder, respecting maintenance of works in condition
6 of repair adequate for their efficient operation, maintenance
7 of a system of accounting, control of rates and service in
8 the absence of State regulation or interstate agreement,
9 valuation for rate-making purposes, transfers of contracts,
10 contracts extending beyond the lease period, expropriation
11 of excessive profits emergency use by the United States
12 of property of lessees, and penalties for enforcing regula-
13 tions made under this Act or penalizing failure to comply
14 with such regulations or with the provisions of this Act.
15 He shall also conform with other provisions of the Federal
16 Water Power Act and of the rules and regulations of the
17 Federal Power Commission which have been devised or
18 which may be hereafter devised for the protection of the
19 investor and consumer.

20 SEC. 7. That the Secretary of the Interior may, in his
21 discretion, when repayments to the United States of all
22 money advanced, with interest, *reimbursable hereunder,*
23 *as provided in the reclamation law,* shall have been
24 made, transfer the title to said canals and appurtenant
25 structures to the districts or other agencies of the

1 United States having a beneficial interest therein in
2 proportion to their respective capital investments under such
3 form of organization as may be acceptable to him. The
4 said districts or other agencies shall have the privilege at
5 any time of utilizing by contract or otherwise such power
6 possibilities as may exist upon said canal, in proportion to
7 their respective contributions or obligations toward the
8 capital cost of said canal and appurtenant structures from
9 and including the diversion works to the point where each
10 respective power plant may be located. The net proceeds
11 from any power development on said canal shall be paid
12 into the fund and credited to said districts or other agencies
13 on their said contracts, in proportion to their rights to develop
14 power, until the districts or other agencies using said canal
15 shall have paid thereby and under any contract or otherwise
16 an amount of money equivalent to the operation and maintenance
17 expense and cost of construction thereof: *PRO-*
18 *VIDED, HOWEVER, THAT THIS SECTION SHALL*
19 *GIVE NO AUTHORITY, EXPRESS OR IMPLIED,*
20 *TO THE SECRETARY OF THE INTERIOR TO*
21 *TRANSFER THE TITLE TO LAGUNA DAM, NOR*
22 *SHALL THE CAPITAL COST OF SAID LAGUNA*
23 *DAM BE INCLUDED IN ANY ESTIMATE OF THE*
24 *PROPORTIONS OF POWER PRIVILEGES TO WHICH*
25 *ANY SUCH DISTRICTS OR OTHER AGENCIES*

1 SHALL BE ENTITLED; NOR SHALL THIS SEC-
2 TION BE CONSTRUED TO ALTER, AMEND,
3 MODIFY, OR IN ANY WAY AFFECT THAT CER-
4 TAIN CONTRACT AND/OR AGREEMENT MADE
5 THE 23D DAY OF OCTOBER, 1918, BY AND BE-
6 TWEEN THE UNITED STATES OF AMERICA AND
7 THE IMPERIAL IRRIGATION DISTRICT, WHERE-
8 BY THE SAID IMPERIAL IRRIGATION DISTRICT
9 IS GIVEN THE RIGHT TO USE THE SAID LAGUNA
10 DAM AND APPURTENANT STRUCTURES AND
11 TO DIVERT THE WATERS THEREAT AND
12 THEREFROM.

13 SEC. 8. (a) All appropriations of water from the
14 Colorado River, incident to or resulting from the construc-
15 tion, use, and operation of the works herein authorized, shall
16 be made and perfected in and in conformity with the laws
17 of these the States which may or shall have approved the
18 Colorado River compact ratified in section 12 of this Act
19 wherein water is made available.

20 (b) The United States, its permittees, licensees, and
21 contractees, and all users and appropriators of water stored,
22 diverted, carried, and/or distributed by the reservoir, canals,
23 and other works herein authorized, shall observe and be
24 subject to and controlled by said Colorado River compact
25 AND THE DIVISION OF WATER TO THE STATES

1 OF ARIZONA, CALIFORNIA, AND NEVADA, AS
2 PROVIDED IN THIS ACT, in the construction, man-
3 agement, and operation of said reservoir, canals, and other
4 works, and the storage, diversion, delivery, and use of
5 water for the generation of power, irrigation, and other
6 purposes, anything in this Act to the contrary notwithstand-
7 ing, and all permits, licenses, and contracts shall so provide.
8 (c) Also the United States, in constructing, managing,
9 and operating the dam, reservoir, canals, and other works
10 herein authorized, including the appropriation, delivery, and
11 use of water for the generation of power, irrigation, or other
12 uses, and all users of water thus delivered and all users and
13 appropriators of water stored by said reservoir and/or car-
14 ried by said canal, including all permittees and licensees of
15 the United States or any of its agencies, shall observe and
16 be subject to and controlled, anything to the contrary herein
17 notwithstanding, by the terms of such compact, if any, be-
18 tween the States of Arizona, California, and Nevada, or any
19 two thereof, for the equitable division of the benefits, includ-
20 ing power, arising from the use of water accruing to said
21 States, subsidiary to and consistent with said Colorado River
22 compact, which may be negotiated and approved by said
23 States and to which Congress shall give its consent and
24 approval on or before June 1, 1928; and the terms of any
25 such compact concluded between said States and approved

1 and consented to by Congress after said date: *Provided*,
2 That in the latter case such compact shall be subject to all
3 contracts, if any, made by the Secretary of the Interior under
4 section 5 hereof prior to the date of such approval and con-
5 sent by Congress: *Provided further*, That in the event no
6 such compact is entered into between the States of Arizona,
7 California, and Nevada, prior to June 1, 1928, then there
8 shall be reserved for acquisition by the States of Arizona and
9 Nevada, their respective agents, licensees, or assignees, at the
10 switchboard, at the plant or plants operated through the use
11 of water impounded by said dam for each, electrical energy
12 equivalent to 15 per centum of the total electrical energy
13 made available by the use of such impounded water, to be
14 contracted for by said respective States, or their agents,
15 licensees, or assignees, within six months after notice by the
16 Secretary of the Interior, and to be paid for as and when
17 said electrical energy is ready for delivery. If said plant or
18 plants are operated by the Government, then said electrical
19 energy shall be delivered on the terms and charges provided
20 in the general regulations for delivery of electrical energy at
21 the switchboard to municipal corporations and political sub-
22 divisions. If, however, said plant or plants are operated by
23 the licensee or licensees of the Government, then said elec-
24 trical energy shall be delivered at the switchboard by said
25 licensee or licensees upon terms and charges equivalent to

1 those that would have been fixed by the Government had the
2 Government delivered such energy, and said equivalent terms
3 and charges to be made by said licensee or licensees shall be
4 established and fixed by the Government.

5 (d) Nothing in this Act shall be deemed to waive any
6 of the rights or powers reserved or granted to the United
7 States by paragraph 7 of section 20 of the Act providing
8 for the admission of Arizona, approved June 20, 1910, and
9 by the tenth paragraph of Article XX of the constitution of
10 Arizona, but the Secretary of the Interior is authorized on
11 behalf of the United States to exercise such of said rights
12 and powers as may be necessary or convenient for the con-
13 struction and use of the works herein authorized and for
14 carrying out the purpose of this Act.

15 SEC. 9. That all lands of the United States found by
16 the Secretary of the Interior to be practicable of irrigation
17 and reclamation by the irrigation works authorized herein
18 shall be withdrawn from public entry. Thereafter, at the
19 direction of the Secretary of the Interior, such lands shall
20 be opened for entry, in tracts varying in size but not exceed-
21 ing one hundred and sixty acres, as may be determined by
22 the Secretary of the Interior, in accordance with the provi-
23 sions of the reclamation law, and any such entryman shall
24 pay an equitable share in accordance with the benefits
25 received, as determined by the said Secretary, of the con-

1 struction cost of ~~said~~ the canal and appurtenant structures
2 *by which the reclamation and irrigation of said land may be*
3 *effected*; said payments to be made in such installments and at
4 such times as may be specified by the Secretary of the Inte-
5 rior, in accordance with the provisions of the said reclamation
6 law, and shall constitute revenue from said project and be
7 covered into the fund herein provided for: *Provided*, That
8 all persons who have served in the United States Army,
9 Navy, or Marine Corps during the war with Germany, the
10 war with Spain, or in the suppression of the insurrection in
11 the Philippines, and who have been honorably separated
12 or discharged therefrom or placed in the Regular Army or
13 Navy Reserve, shall have the exclusive preference right for
14 a period of three months to enter said lands, subject, how-
15 ever, to the provision of subsection (c) of section 4, Act of
16 December 5, 1924 (Forty-third Statutes at Large, page
17 702); and also, so far as practicable, preference shall be
18 given to said persons in *employment of labor on* all construc-
19 tion work authorized by this Act: *Provided further*, That
20 in the event such an entry shall be relinquished at any
21 time prior to actual residence upon the land by the entry-
22 man for not less than one year, lands so relinquished shall
23 not be subject to entry for a period of sixty days after
24 the filing and notation of the relinquishment in the local
25 land office, and after the expiration of said sixty-day period

1 such lands shall be open to entry, subject to the preference
2 in this section provided: *Provided further, That all con-*
3 *tracts for the delivery of water for irrigation purposes*
4 *provided for in section 5 shall provide that all irrigable*
5 *land held in private ownership by any one owner in excess*
6 *of one hundred and sixty acres shall be appraised in a*
7 *manner to be prescribed by the Secretary of the Interior and*
8 *the sale prices thereof fixed by the said Secretary on the basis*
9 *of its actual bona fide value at the date of appraisal with-*
10 *out reference to the proposed construction of the irriga-*
11 *tion works provided for by this Act; and that no such*
12 *excess lands so held shall receive water from said canal*
13 *if the owners thereof shall refuse to execute valid record-*
14 *able contracts for the sale of such lands under terms and*
15 *conditions satisfactory to the Secretary of the Interior*
16 *and at prices not to exceed those fixed by the Secretary of*
17 *the Interior; also to construct and equip, operate, and*
18 *maintain at or near said dam, and within a State which*
19 *has approved the Colorado River compact hereinafter men-*
20 *tioned, a complete plant and incidental structures suitable*
21 *for the fullest economic development of electrical energy*
22 *from the water discharged from said reservoir; and to*
23 *acquire by proceedings in eminent domain, or otherwise,*
24 *all lands, rights of way, and other property necessary for*
25 *said purposes.*

1 SEC. 10. That nothing in this Act shall be construed as
 2 modifying in any manner the existing contract, dated October
 3 23, 1918, between the United States and the Imperial Irri-
 4 gation District, providing for a connection with Laguna
 5 Dam; but the Secretary of the Interior is authorized to
 6 modify the said contract, with the consent of the said district,
 7 AND THE EXPRESS CONSENT OF THE YUMA
 8 COUNTY WATER USERS' ASSOCIATION, and also
 9 to enter into contract or contracts with the said district or
 10 other districts, persons, or agencies for the construction, in
 11 accordance with this Act, of said canal and appurtenant
 12 structures, and also for the operation and maintenance
 13 thereof, with the consent of the other users.

14 SEC. 11. "Political subdivision" or "political sub-
 15 divisions," as used in this Act, shall be understood to include
 16 any State, irrigation or other district, municipality, or other
 17 governmental organization.

18 "Reclamation law," as used in this Act, shall be under-
 19 stood to mean that certain Act of the Congress of the United
 20 States approved June 17, 1902, entitled "An Act appro-
 21 priating the receipts from the sale and disposal of public land
 22 in certain States and Territories to the construction of irri-
 23 gation works for the reclamation of arid lands," and the Acts
 24 amendatory thereof and supplemental thereto.

1 "Maintenance," as used herein, shall be deemed to in-
 2 clude in each instance provision for keeping the works in
 3 good operating condition.

4 "The Federal Water Power Act," as used in this Act,
 5 shall be understood to mean that certain Act of Congress
 6 of the United States approved June 10, 1920, entitled "An
 7 Act to create a Federal Power Commission; to provide for
 8 the improvement of navigation; the development of water
 9 power; the use of the public lands in relation thereto; and
 10 to repeal section 18 of the River and Harbor Appropriation
 11 Act, approved August 8, 1917, and for other purposes," and
 12 the Acts amendatory thereof and supplemental thereto.

13 SEC. 12. (a) The Colorado River compact signed at
 14 Santa Fe, New Mexico, November 24, 1922, pursuant to
 15 Act of Congress approved August 19, 1921, entitled "An
 16 Act to permit a compact or agreement between the States
 17 of Arizona, California, Colorado, Nevada, New Mexico,
 18 Utah, and Wyoming respecting the disposition and appor-
 19 tionment of the waters of the Colorado River, and for other
 20 purposes," is hereby approved by the Congress of the
 21 United States, and the provisions of the first paragraph of
 22 article 11 of the said Colorado River compact, making said
 23 compact binding and obligatory when it shall have been
 24 approved by the legislature of each of the signatory States,
 25 are hereby waived, and this approval shall become effective

1 when the State of California and at least three *five* of the
 2 other States mentioned, shall have approved or may here-
 3 after approve said compact as aforesaid and shall consent
 4 to such waiver, *as herein provided* SAID COLORADO
 5 RIVER COMPACT SHALL HAVE BEEN APPROVED
 6 BY THE LEGISLATURE OF EACH OF THE SIGNA-
 7 TORY STATES, AND THE PRESIDENT, BY PUBLIC
 8 PROCLAMATION, SHALL HAVE DECLARED THE
 9 SAME. *9 DARRIS REMOVE THE WATER RIVER*
 10 UNTIL A DIVISION OF THE WATERS OF THE
 11 COLORADO RIVER SYSTEM AVAILABLE FOR USE
 12 IN THE STATES OF ARIZONA, CALIFORNIA, AND
 13 NEVADA SHALL HAVE BEEN AGREED UPON BY
 14 COMPACT BETWEEN SAID STATES AND AP-
 15 PROVED BY THE CONGRESS OF THE UNITED
 16 STATES, SUCH WATERS SHALL BE, AND HEREBY
 17 ARE, DIVIDED AS FOLLOWS: OF THE SEVEN
 18 MILLION FIVE HUNDRED THOUSAND ACRE-
 19 FEET ANNUALLY, ALLOCATED BY PARAGRAPH
 20 (A) OF ARTICLE III OF THE COLORADO RIVER
 21 COMPACT TO THE LOWER BASIN, THREE MIL-
 22 LION ACRE-FEET TO THE STATE OF ARIZONA;
 23 FOUR MILLION TWO HUNDRED THOUSAND
 24 ACRE-FEET TO THE STATE OF CALIFORNIA;
 25 THREE HUNDRED THOUSAND ACRE-FEET TO

1 THE STATE OF NEVADA, THE SAID APPORTION-
2 MENT IN EACH INSTANCE TO BE FOR EXCLU-
3 SIVE BENEFICIAL CONSUMPTIVE USE AND IN
4 PERPETUITY.

5 (2) THE SAID STATES SHALL EACH HAVE
6 THE EXCLUSIVE BENEFICIAL CONSUMPTIVE
7 USE OF THE TRIBUTARIES OF THE COLORADO
8 RIVER WITHIN THEIR RESPECTIVE BOUN-
9 DARIES BEFORE THE SAME ENTER INTO THE
10 MAIN STREAM, AND THE WATERS OF SUCH
11 TRIBUTARIES SHALL NEVER BE SUBJECT, EX-
12 CEPT AS HEREINAFTER PROVIDED, TO ANY
13 DIMINUTION WHATEVER BY ANY ALLOWANCE
14 OF WATER WHICH MAY BE MADE BY TREATY,
15 OR OTHERWISE, TO THE UNITED STATES OF
16 MEXICO: *PROVIDED*, THAT THE DIVISION OF
17 THE WATERS OF SUCH TRIBUTARIES AS ARE
18 SITUATED IN MORE THAN ONE STATE SHALL
19 BE LEFT TO ADJUDICATION OR APPORTION-
20 MENT BETWEEN SAID STATES IN SUCH MANNER
21 AS MAY BE DETERMINED UPON BY THE STATES
22 AFFECTED THEREBY.

23 (3) THE ONE MILLION ACRE-FEET OF
24 WATER ALLOCATED TO THE LOWER BASIN BY
25 PARAGRAPH (B) OF ARTICLE III OF THE

1 COLORADO RIVER COMPACT SHALL BE
 2 DEEMED TO ATTACH EXCLUSIVELY TO THE
 3 ARIZONA TRIBUTARIES OF THE COLORADO
 4 RIVER AND TO BE INCLUDED IN THE WATERS
 5 OF SUCH TRIBUTARIES HEREINBEFORE ALLO-
 6 CATED TO THE STATE OF ARIZONA, TO BE
 7 DIVERTED FROM SAID TRIBUTARIES BEFORE
 8 EMPTYING INTO THE MAIN STREAM: *PRO-*
 9 *VIDED*, THAT SAID ONE MILLION ACRE-FEET
 10 SHALL BEAR ITS PROPORTION OF ANY DEFI-
 11 CIENCY WHICH THE STATES OF THE LOWER
 12 BASIN MAY BE CALLED UPON TO SUPPLY BY
 13 REASON OF ANY TREATY WITH THE UNITED
 14 STATES OF MEXICO, IN THE RATIO THAT ONE
 15 MILLION ACRE-FEET BEAR TO EIGHT MILLION
 16 FIVE HUNDRED THOUSAND ACRE-FEET.
 17 (4) THE SEVERAL FOREGOING APPOR-
 18 TIONMENTS SHALL INCLUDE ALL WATER
 19 NECESSARY FOR THE SATISFACTION OF ANY
 20 RIGHTS WHICH MAY NOW EXIST, INCLUDING
 21 WATER FOR INDIAN LANDS IN EACH OF SAID
 22 STATES.
 23 (5) THE STATES OF ARIZONA AND CALI-
 24 FORNIA EACH MAY DIVERT AND USE ONE-
 25 HALF OF THE WATERS OF THE COLORADO

1 RIVER SYSTEM, UNAPPORTIONED BY THE
2 COLORADO RIVER COMPACT, FLOWING IN THE
3 MAIN STREAM OF THE COLORADO RIVER
4 BELOW LEE FERRY, SUBJECT TO FUTURE
5 EQUITABLE APPORTIONMENT BETWEEN THE
6 STATES OF THE COLORADO RIVER BASIN AFTER
7 THE YEAR 1963, AND ON THE SPECIFIC CON-
8 DITION THAT THE USE OF SAID WATER BY THE
9 STATES OF THE LOWER BASIN SHALL BE WITH-
10 OUT PREJUDICE TO THE RIGHTS OF THE STATES
11 OF THE UPPER BASIN, AS PROVIDED BY THE
12 SAID COLORADO RIVER COMPACT.

13 (b) The rights of the United States in or to waters
14 of the Colorado River and its tributaries howsoever claimed
15 or acquired, as well as the rights of those claiming under the
16 United States, shall be subject to and controlled by said
17 Colorado River compact, AND THE DIVISION OF
18 WATER HEREINBEFORE MADE TO THE STATES
19 OF ARIZONA, CALIFORNIA, AND NEVADA.

20 (c) Also all patents, grants, contracts, concessions,
21 leases, permits, licenses, rights of way, or other privileges
22 from the United States or under its authority, necessary
23 or convenient for the use of waters of the Colorado River
24 or its tributaries, or for the generation or transmission of
25 electrical energy generated by means of the waters of said

1 river or its tributaries, whether under this Act, the Federal
 2 Water Power Act, or otherwise, shall be upon the express
 3 condition and with the express covenant that the rights
 4 of the recipients or holders thereof to waters of the river
 5 or its tributaries, for the use of which the same are neces-
 6 sary, convenient, or incidental, and the use of the same
 7 shall likewise be subject to and controlled by said Colo-
 8 rado River compact, AND SAID DIVISION OF WATER
 9 TO THE STATES OF ARIZONA, CALIFORNIA, AND
 10 NEVADA.

11 (d) The conditions and covenants referred to herein
 12 shall be deemed to run with the land and the right, interest,
 13 or privilege therein and water right, and shall attach as a
 14 matter of law, whether set out or referred to in the instru-
 15 ment evidencing any such patent, grant, contract, conces-
 16 sion, lease permit, license, right of way, or other privilege
 17 from the United States or under its authority, or not, and
 18 shall be deemed to be for the benefit of and be available
 19 to the States of Arizona, California, Colorado, Nevada,
 20 New Mexico, Utah, and Wyoming, and the users of water
 21 therein or thereunder, by way of suit, defense, or other-
 22 wise, in any litigation respecting the waters of the Colorado
 23 River or its tributaries.

24 SEC. 13. This *In so far as this Act shall provide for*
 25 *the construction of irrigation canals and appurtenant struc-*

1 *tures, it shall* be deemed a supplement to the reclamation
 2 law, which said reclamation law shall govern the construc-
 3 tion, operation, and management of the *irrigation* works
 4 herein authorized, except as otherwise herein provided.

5 SEC. 14. The Secretary of the Interior is authorized
 6 and directed to make investigation and public reports of the
 7 feasibility of projects for irrigation, generation of electric
 8 power, and other purposes in the States of Arizona, Nevada,
 9 Colorado, New Mexico, Utah, and Wyoming for the pur-
 10 pose of making such information available to said States and
 11 to the Congress, and of formulating a comprehensive scheme
 12 of headwater control and the improvement and utilization
 13 of the water of the Colorado River and its tributaries. The
 14 sum of \$250,000 is hereby authorized to be appropriated
 15 from said *Lower Colorado River Dam Control* fund, created
 16 by section 2 of this Act, for such purposes.

17 SEC. 15. *It is hereby declared that all waters of the*
 18 *Colorado River stored by works hereby authorized, are*
 19 *forever reserved for use within the United States.* Nothing
 20 in this Act shall be construed as a denial or recognition of
 21 any existing rights, if any, in Mexico to the use of the *normal*
 22 *flow of the* waters of the Colorado River system, and this Act
 23 shall be without prejudice to the negotiation of a treaty with
 24 Mexico affecting such rights, WHICH TREATY MAY
 25 PROVIDE FOR THE PAYMENT OF COMPENSA-

1 TION TO THE UNITED STATES OF MEXICO FOR
2 THE LEASE TO THE UNITED STATES OF AMER-
3 ICA OF AN AREA OR ZONE OF LAND SUFFICIENT
4 FOR THE CONSTRUCTION, OPERATION, AND
5 MAINTENANCE OF A CANAL TO CONVEY WATER
6 DIVERTED FROM THE COLORADO RIVER AT
7 LAGUNA DAM FOR THE IRRIGATION OF LANDS
8 IN THE STATE OF CALIFORNIA, UPON TERMS
9 AND CONDITIONS SIMILAR TO THE LEASE OF
10 CERTAIN LANDS FOR CANAL PURPOSES, AS PRO-
11 VIDED IN THE TREATY OF NOVEMBER 18, 1903,
12 BETWEEN THE UNITED STATES OF AMERICA
13 AND THE REPUBLIC OF PANAMA. SAID
14 TREATY MAY ALSO PROVIDE FOR AN AGREE-
15 MENT BETWEEN THE TWO NATIONS RESPECT-
16 ING THE CONSTRUCTION AND MAINTENANCE
17 OF LEVEES.

18 *SEC. 16. Upon the approval of this Act the Secretary*
19 *of the Interior is authorized to enter into a contract or con-*
20 *tracts for the construction, in the main stream of the Colorado*
21 *River at Black Canyon, or Boulder Canyon, at a cost not*
22 *to exceed \$30,000,000, of a retainer dam and incidental*
23 *works for the purpose of providing adequate protection from*
24 *flood waters on the lower Colorado River. The foundation*
25 *work for such flood-control dam shall be adequate to support*

1 a dam complying with the requirements of section 1 of this
2 Act. Each and every provision of this Act necessary to
3 enable the Secretary of the Interior to carry out the authority
4 vested in him by this section, and to hold, control, manage,
5 and operate said dam, reservoir, impounded waters, and
6 other works necessary to the improvement of navigation and
7 flood control, but only to such extent, shall be in full force
8 and effect upon the approval of this Act. The enlargement
9 of said dam, the generation and disposal of hydroelectric
10 energy, the building of canals for irrigation projects, for do-
11 mestic use, and the other purposes of this Act, shall not be
12 undertaken, nor shall the other provisions of the Act, except
13 those that are essential to the duties and authority of the Secre-
14 tary of the Interior as provided in this section, come into force
15 and effect until the provisions of ratification required in section
16 4 of this Act have been fully complied with and performed.
17 This section shall not be construed to repeal or modify other
18 provisions of this Act, nor to bring them into force and
19 effect, save as in this section expressly provided.

20 SEC. 17. IN ORDER TO BE ASSURED OF THE
21 FINANCIAL, ECONOMIC, AND ENGINEERING
22 FEASIBILITY OF THE PROJECTS HEREIN
23 AUTHORIZED OR PLANNED THE PRESIDENT IS
24 HEREBY AUTHORIZED TO APPOINT A BOARD
25 OF FIVE COMPETENT ENGINEERS, OF OUT-

1 STANDING REPUTATION, AT LEAST ONE OF
2 WHOM SHALL BE AN ENGINEER OFFICER OF
3 THE ARMY, WHICH BOARD SHALL EXAMINE
4 INTO AND REVIEW THE PLANS AND ESTI-
5 MATES HERETOFORE MADE BY ENGINEERS OF
6 THE DEPARTMENT OF THE INTERIOR FOR
7 THE CONTROL AND UTILIZATION OF THE
8 WATERS OF THE COLORADO RIVER AND
9 REPORT THEREON WITHIN SIX MONTHS AFTER
10 THE APPROVAL OF THIS ACT. AND NO CON-
11 TRACTS SHALL BE MADE AND NO CONSTRUC-
12 TION WORK SHALL BE DONE OR CONTRACTED
13 FOR UNTIL SAID BOARD SHALL HAVE SUB-
14 MITTED ITS REPORT TO CONGRESS.

15 SEC. 18. CONSENT IS HEREBY GIVEN TO
16 DIVERT FROM THE COLORADO RIVER BASIN
17 FROM WATER ALLOCATED BY SAID COMPACTS
18 TO THE STATE OF CALIFORNIA EIGHT HUN-
19 DRED THOUSAND ACRE-FEET OF WATER PER
20 ANNUM FOR DOMESTIC USE ON THE PACIFIC
21 SLOPE IN SOUTHERN CALIFORNIA UPON THE
22 ANNUAL PAYMENT INTO THE FUND OF \$2
23 PER ACRE-FOOT AS A CHARGE FOR STORING
24 AND DESILTING SAID WATER.

1 *SEC. 20. No permit or license shall be allowed or issued*
 2 *by the Federal Water Power Commission on the Colorado*
 3 *River until July 1, 1930, or until such earlier date as said*
 4 *Colorado River compact and said supplemental compact*
 5 *shall have been ratified by all of the interested States and*
 6 *approved by the Congress.*

7 *SEC. 21. That the short title of this Act shall be*
 8 *"THE LOWER COLORADO RIVER DEVELOPMENT*
 9 *ACT."*

[COMMITTEE PRINT]

MARCH 8, 1928

[Including amendments suggested by Senator
PITTMAN and Senator ASHBURN]

70TH CONGRESS } S. 728
1ST Session

A BILL

To provide for the construction of works for
the protection and development of the
lower Colorado River Basin, for the ap-
proval of the Colorado River compact, and
for other purposes.

By Mr. JOHNSON

DECEMBER 6 (calendar day, DECEMBER 9), 1927
Read twice and referred to the Committee on
Irrigation and Reclamation

COMMITTEE PRINT

MARCH 10, 1928

[Including amendments suggested by Senator PHIPPS]

70TH CONGRESS
1ST SESSION

S. 728

IN THE SENATE OF THE UNITED STATES

DECEMBER 6 (calendar day, DECEMBER 9), 1927

Mr. JOHNSON introduced the following bill; which was read twice and referred to the Committee on Irrigation and Reclamation

[Omit the part struck through and insert the part printed in italics]

A BILL

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That for the purpose of controlling the floods, ~~improving~~
4 ~~navigation, protecting Government property, and regulat-~~
5 ~~ing the flow of the lower Colorado River, improving navi-~~
6 ~~gation, and incidentally providing for storage and the delivery~~
7 ~~of the stored waters thereof for reclamation of public lands~~
8 and other beneficial uses *exclusively* within the United States

1 and for the generation of electrical energy as a means of
2 making the project herein authorized a self-supporting and
3 financially solvent undertaking the Secretary of the Interior,
4 subject to the terms of the Colorado River compact here-
5 inafter mentioned, is hereby authorized to construct, operate,
6 and maintain a dam and incidental works in the main
7 stream of the Colorado River at Black Canyon or Boulder
8 Canyon adequate to create a storage reservoir of a capacity
9 of not less than twenty million acre-feet of water and a main
10 canal and appurtenant structures located entirely within the
11 United States connecting the Laguna Dam with the Im-
12 perial and Coachella Valleys in California, *the expenditures*
13 *for said main canal and appurtenant structures to be reim-*
14 *bursable, as provided in the Reclamation Act; also to con-*
15 *struct and equip, operate, and maintain at or near said dam*
16 *a complete plant and incidental structures suitable for the*
17 *fullest economic development of electrical energy from the*
18 *water discharged from said reservoir, and to acquire by*
19 *proceedings in eminent domain, or otherwise, all lands,*
20 *rights of way, and other property necessary for said pur-*
21 *poses: Provided, That such hydroelectric plant and inci-*
22 *idental structures shall not be constructed by the Secretary*
23 *of the Interior if a satisfactory contract or contracts can be*
24 *entered into with a State or States, or public subdivisions*
25 *thereof, or individuals, associations, or corporations, in the*

1 *order of their priority, for the construction of such plant*
2 *and for the fullest economic development of electrical energy.*

3 SEC. 2. (a) There is hereby established a special fund,
4 to be known as the "Colorado River Dam fund" (herein-
5 after referred to as the "fund"), and to be available, as
6 hereinafter provided, only for carrying out the provisions of
7 this Act. All revenues received in carrying out the pro-
8 visions of this Act shall be paid into and expenditures
9 shall be made out of the fund, under the direction of the
10 Secretary of the Interior.

11 (b) The Secretary of the Treasury is authorized to
12 advance to the fund, from time to time and within the
13 appropriations therefor, such amounts as the Secretary of
14 the Interior deems necessary for carrying out the provisions
15 of this Act, except that the aggregate amount of such
16 advances shall not exceed the sum of \$125,000,000, of
17 which the sum of \$20,000,000 shall be allocated to flood
18 control, and shall be reimbursable to the United States,
19 without interest, in the event the dam is constructed for the
20 full storage capacity authorized in section 1 of this Act.
21 Interest at the rate of 4 per centum per annum accruing
22 during the year upon the amounts so advanced and remain-
23 ing unpaid shall be paid annually out of the fund, *except as*
24 *herein otherwise provided.*

(c) Moneys in the fund advanced under subdivision (b) shall be available only for expenditures for construction and the payment of interest, during construction, upon the amounts so advanced. No expenditures out of the fund shall be made for operation and maintenance except from appropriations therefor.

(d) The Secretary of the Treasury shall charge the fund as of June 30 in each year with such amount as may be necessary for the payment of interest on advances made under subdivision (b) at the rate of 4 per centum per annum accrued during the year upon the amounts so advanced and remaining unpaid, except that if the fund is insufficient to meet the payment of interest the Secretary of the Treasury may, in his discretion, defer any part of such payment, and the amount so deferred shall bear interest at the rate of 4 per centum per annum until paid.

(e) The Secretary of the Interior shall certify to the Secretary of the Treasury, at the close of each fiscal year, the amount of money in the fund in excess of the amount necessary for construction, operation, and maintenance, and payment of interest. Upon receipt of each such certificate the Secretary of the Treasury is authorized and directed to charge the fund with the amount so certified as repayment of the advances made under subdivision (b), which amount shall be covered into the Treasury to the credit of miscel-

1 aneous receipts, and shall be available for the purposes
2 specified in subdivision (g).

3 (f) In order to make the advances to the fund, the
4 Secretary of the Treasury may, if he deems it advisable,
5 exercise the authority granted by the various Liberty Bond
6 Acts and the Victory Liberty Loan Act, as amended and
7 supplemented, to issue bonds, notes, and certificates of
8 indebtedness of the United States; and any bonds so issued
9 shall be disregarded in computing the maximum amount of
10 bonds authorized by section 1 of the Second Liberty Bond
11 Act, as amended.

12 (g) The Secretary of the Treasury is authorized and
13 directed to use, upon such terms and conditions as he may
14 prescribe, for the payment, redemption, or purchase, at not
15 to exceed par and accrued interest, of any bonds, notes, or
16 certificates of indebtedness of the United States, the money
17 covered into the Treasury under subdivision (e) in repay-
18 ment of the amounts advanced.

19 SEC. 3. There is hereby authorized to be appropriated
20 from time to time, out of any money in the Treasury not
21 otherwise appropriated, such sums of money as may be neces-
22 sary to carry out the purposes of this Act, not exceeding in
23 the aggregate \$125,000,000, of which the sum of \$20,000,-
24 000 shall be assigned to flood control, and shall be reimbursable
25 to the United States without interest in the event the dam is

1 *constructed for the full storage capacity authorized in section*
2 *1 of this Act.*

3 SEC. 4. (a) No work shall be begun and no moneys
4 expended on or in connection with the works or structures
5 provided for in this Act, and no water rights shall be claimed
6 or initiated hereunder, and no steps shall be taken by the
7 United States or by others to initiate or perfect any claims
8 to the use of water pertinent to such works or structures until
9 the State of California and at least three of the States of
10 Arizona, Colorado, Nevada, New Mexico, Utah, and
11 Wyoming shall have approved the Colorado River compact
12 mentioned in section 12 hereof and shall have consented to a
13 waiver of the provisions of the first paragraph of Article
14 XI of said compact, which makes the same binding and
15 obligatory only when approved by each of the seven States
16 mentioned in said section 12, and shall have approved said
17 compact without condition save that of such approval by
18 the State of California and at least three of the other States
19 mentioned and until the President by public proclamation
20 shall have so declared.

21 SEC. 4. (a) This Act shall be in full effect when (a)
22 the States of California, Colorado, Nevada, New Mexico,
23 Utah, Arizona, and Wyoming shall have ratified the
24 Colorado River compact mentioned in section 8 hereof, and
25 the President, by public proclamation, shall have so declared,

1 or (b) if after one year from the date of the passage of this
2 Act the said States shall fail to ratify the said compact; then
3 if six States, including the State of California, shall ratify
4 said compact, and shall consent to waive the provisions of the
5 first paragraph of Article II of said compact, which makes
6 the same binding and obligatory only when approved by
7 each of the seven States mentioned in said section 8, and shall
8 have approved said compact without conditions, save that of
9 such six States' approval, and the President, by public
10 proclamation, shall have so declared, and no work shall be
11 begun and no moneys expended on or in connection with
12 the works or structures provided for in this Act, and no
13 water rights shall be claimed or initiated hereunder, and no
14 steps shall be taken by the United States or by others to
15 initiate or perfect any claims to the use of water pertinent to
16 such works or structures except as herein expressly provided
17 in section 17 until said Colorado River compact has been
18 ratified and such ratification proclaimed as provided in this
19 section. No permit or license shall be allowed or issued
20 by the Federal Water Power Commission on the Colorado
21 River below Lee Ferry until July 1, 1930, or until such
22 earlier date as the Colorado River compact may have been
23 ratified, as provided in this section.

24 (b) Before any money is appropriated or any con-
25 struction work done or contracted for, the Secretary of the

1 Interior shall make provision for revenues, by contract or
 2 otherwise, in accordance with the provisions of this Act,
 3 adequate, in his judgment, to insure payment of all expenses
 4 of operation and maintenance of said works incurred by the
 5 United States and the repayment, within fifty years from
 6 the date of the completion of the project, of all amounts
 7 advanced to the fund under subdivision (b) of section 2,
 8 together with interest thereon, *made reimbursable under this*
 9 *Act. If the Secretary of the Interior shall receive revenues*
 10 *in excess of the amount necessary to fully reimburse the*
 11 *United States as herein required, then, annually, he shall*
 12 *divide equally between and pay to the States of Arizona and*
 13 *Nevada 33 $\frac{1}{3}$ per centum of such excess revenues.*

14 SEC. 5. That the Secretary of the Interior is hereby
 15 authorized, under such general regulations as he may pre-
 16 scribe, to contract for the storage of water in said reservoir and
 17 for the delivery thereof at such points on the river and on said
 18 canal as may be agreed upon, for irrigation, and domestic
 19 uses, *and generation of electrical energy*, and delivery at
 20 the switchboard to *States*, municipal corporations, political
 21 subdivisions, and private corporations of electrical energy
 22 generated at said dam, upon charges that will provide reve-
 23 nue which, in addition to other revenue accruing under the
 24 reclamation law and under this Act, will in his judgment
 25 cover all expenses of operation and maintenance incurred by

1 the United States on account of works constructed under
2 this Act and the payments to the United States under sub-
3 division (b) of section 4. Contracts respecting water for
4 irrigation and domestic uses shall be for permanent service.
5 No person shall have or be entitled to have the use for any
6 purpose of the water stored as aforesaid except by contract
7 made as herein stated.

8 ~~After the repayments to the United States of all money~~
9 ~~advanced with interest, charges shall be on such basis, and~~
10 ~~the revenues derived therefrom shall be disposed of, as may~~
11 ~~hereafter be prescribed by the Congress.~~

12 General and uniform regulations shall be prescribed by
13 the said Secretary for the awarding of contracts for the sale
14 and delivery of electrical energy, and for renewals under
15 subdivision (b) of this section; and in making such contracts
16 the following shall govern:

17 (a) No contract for electrical energy or for the genera-
18 tion of electrical energy shall be of longer duration than
19 fifty years from the date at which such energy is ready
20 for delivery.

21 *Contracts made pursuant to this section shall contain*
22 *provisions whereby at the end of fifteen years from the date*
23 *of their execution and every ten years thereafter, there shall*
24 *be readjustment of the contract, either upward or downward*
25 *as to price, justified by competitive conditions at distributing*

1 *points or competitive centers, and with provisions under which*
2 *disputes or disagreements as to interpretation or performance*
3 *of such contract shall be determined either by arbitration*
4 *or court proceedings, the Secretary of the Interior being*
5 *authorized to act for the United States in such readjustments,*
6 *or proceedings.*

7 (b) The holder of any contract for electrical energy
8 not in default thereunder shall be entitled to a renewal
9 thereof upon such terms and conditions as may be authorized
10 or required under the then existing laws and regulations,
11 unless the property of such holder dependent for its useful-
12 ness on a continuation of the contract be purchased or
13 acquired and such holder be compensated for damages to its
14 property, used and useful in the transmission and distri-
15 bution of such electrical energy and not taken, resulting from
16 the termination of the supply.

17 (c) Contracts for the use of water and necessary
18 privileges for the generation and distribution of hydroelectric
19 energy or for the sale and delivery of electrical energy shall
20 be made with responsible applicants therefor who will pay
21 the price fixed by the said Secretary with a view to meet-
22 ing the revenue requirements of the project as herein
23 provided for. In case of conflicting applications, if any,
24 such conflicts shall be resolved by the said Secretary, after
25 hearing, with due regard to the public interest, and in

1 conformity with the policy expressed in the Federal Water
2 Power Act as to conflicting applications for permits and
3 license. *That preference to applicants for the use of water*
4 *and appurtenant works and privileges necessary for the*
5 *generation and distribution of hydroelectric energy, or for*
6 *delivery at the switchboard of a hydroelectric plant, shall*
7 *be given, first, to a State; second, to a political subdivision*
8 *of a State; third, to citizens of the United States or any*
9 *association of such citizens, or any corporation organized*
10 *under the laws of the United States or any State thereof.*
11 *The States of Arizona, California, and Nevada shall have*
12 *preference and upon an equality with regard to such pref-*
13 *erential rights, and shall be given equal opportunity as such*
14 *applicants: Provided, however, That no application of a*
15 *State or a political subdivision thereof for an allocation of*
16 *water for power purposes or of electrical energy shall be*
17 *denied or another application in conflict therewith be*
18 *granted on the ground that the bond issue of such State*
19 *or political subdivision, necessary to enable the applicant*
20 *to utilize such water and appurtenant works and privileges*
21 *necessary for the generation and distribution of hydroelectric*
22 *energy or the electrical energy applied for, has not been*
23 *authorized or marketed, until after a reasonable time, to be*
24 *determined by the said Secretary, has been given to such*
25 *applicant to have such bond issue authorized and marketed.*

1 (d) Any agency receiving a contract for electrical
 2 energy equivalent to one hundred thousand ~~firm~~ horse-
 3 power or more, may, when deemed feasible by the said
 4 Secretary, from engineering and economic considerations
 5 and under general regulations prescribed by him, be required
 6 to permit other similar agency having contracts hereunder
 7 for less than the equivalent of twenty-five thousand ~~firm~~
 8 horsepower to participate in the benefits and use of any main
 9 transmission line constructed by the former for carrying such
 10 energy (not exceeding, however, one-fourth the capacity
 11 of such line); upon payment by such other agencies of a
 12 reasonable share of the cost of construction, operation, and
 13 maintenance thereof.

14 The use is hereby authorized of such public and reserved
 15 lands of the United States as the said Secretary shall deter-
 16 mine to ~~may~~ be necessary or convenient for the construction,
 17 operation, and maintenance of main transmission lines to
 18 transmit said electrical energy.

19 SEC. 6. That the dam and reservoir provided for by
 20 section 1 hereof shall be used: First, for river regulation,
 21 improvement of navigation, and protection of Government
 22 property, and flood control; second, for irrigation and domes-
 23 tic uses and satisfaction of present perfected rights in pur-
 24 suance of Article VIII of said Colorado River Compact;
 25 and third, for power. The title to said dam, reservoir, plant,

1 and incidental works shall forever remain in the United
2 States, and the United States shall always ~~until otherwise~~
3 ~~provided by Congress~~ control, manage, and operate the same,
4 *except as herein otherwise provided: Provided, however, That*
5 the Secretary of the Interior may, in his discretion, enter into
6 contracts of lease of a unit or units of ~~said plant~~ *any Govern-*
7 *ment-built plant* with right to generate electrical energy, or
8 alternatively, to enter into contracts of lease for the use of
9 water for the generation of electrical energy *as herein pro-*
10 *vided*, in either of which events the provisions of section 5
11 of this Act relating to revenue, term, renewals, determina-
12 tion or conflicting applications, and ~~joint use of transmission~~
13 ~~lines under contracts for the sale of electrical energy,~~ shall
14 apply.

15 The Secretary of the Interior shall prescribe and en-
16 force rules and regulations conforming with the require-
17 ments of the Federal Water Power Act, together with the
18 rules and regulations of the Federal Power Commission
19 thereunder, respecting maintenance of works in condition
20 of repair adequate for their efficient operation, maintenance
21 of a system of accounting, control of rates and service in
22 the absence of State regulation or interstate agreement,
23 valuation for rate-making purposes, transfers of contracts,
24 contracts extending beyond the lease period, ~~expropriation~~
25 ~~of excessive profits~~ emergency use by the United States

1 of property of lessees, and penalties for enforcing regula-
2 tions made under this Act or penalizing failure to comply
3 with such regulations or with the provisions of this Act.
4 He shall also conform with other provisions of the Federal
5 Water Power Act and of the rules and regulations of the
6 Federal Power Commission which have been devised or
7 which may be hereafter devised for the protection of the
8 investor and consumer.

9 SEC. 7. That the Secretary of the Interior may, in his
10 discretion, when repayments to the United States of all
11 money advanced, with interest, *reimbursable hereunder*,
12 shall have been made, transfer the title to said canal and
13 appurtenant structures to the districts or other agencies of
14 the United States having a beneficial interest therein in
15 proportion to their respective capital investments under such
16 form of organization as may be acceptable to him. The
17 said districts or other agencies shall have the privilege at
18 any time of utilizing by contract or otherwise such power
19 possibilities as may exist upon said canal, in proportion to
20 their respective contributions or obligations toward the
21 capital cost of said canal and appurtenant structures from
22 and including the diversion works to the point where each
23 respective power plant may be located. The net proceeds
24 from any power development on said canal shall be paid
25 into the fund and credited to said districts or other agencies

1 on their said contracts, in proportion to their rights to develop
2 power, until the districts or other agencies using said canal
3 shall have paid thereby and under any contract or otherwise
4 an amount of money equivalent to the operation and maintenance
5 expense and cost of construction thereof.

6 SEC. 8. (a) All appropriations of water from the Colorado
7 River, incident to or resulting from the construction,
8 use, and operation of the works herein authorized, shall be
9 made and perfected in and in conformity with the laws of
10 those States *wherein water is made available, and* which
11 may or shall have approved the Colorado River compact
12 ratified in section 12 of this Act.

13 (b) The United States, its permittees, licensees, and
14 contractees, and all users and appropriators of water stored,
15 diverted, carried, and/or distributed by the reservoir, canals,
16 and other works herein authorized, shall observe and be
17 subject to and controlled by said Colorado River compact
18 in the construction, management, and operation of said reservoir,
19 canals, and other works, and the storage, diversion,
20 delivery, and use of water for the generation of power, irrigation,
21 and other purposes, anything in this Act to the contrary
22 notwithstanding, and all permits, licenses, and contracts
23 shall so provide.

24 (c) Also the United States, in constructing, managing,
25 and operating the dam, reservoir, canals, and other works

1 herein authorized, including the appropriation, delivery, and
2 use of water for the generation of power, irrigation, or other
3 uses, and all users of water thus delivered and all users and
4 appropriators of water stored by said reservoir and/or ear-
5 nered by said canal, including all permittees and licensees of
6 the United States or any of its agencies, shall observe and
7 be subject to and controlled, anything to the contrary herein
8 notwithstanding, by the terms of such compact, if any, be-
9 tween the States of Arizona, California, and Nevada, or any
10 two thereof, for the equitable division of the benefits, includ-
11 ing power, arising from the use of water accruing to said
12 States, subsidiary to and consistent with said Colorado River
13 compact, which may be negotiated and approved by said
14 States and to which Congress shall give its consent and
15 approval on or before June 1, 1928; and the terms of any
16 such compact concluded between said States and approved
17 and consented to by Congress after said date: *Provided*,
18 That in the latter case such compact shall be subject to all
19 contracts, if any, made by the Secretary of the Interior under
20 section 5 hereof prior to the date of such approval and con-
21 sent by Congress: *Provided further*, That in the event no
22 such compact is entered into between the States of Arizona,
23 California, and Nevada, prior to June 1, 1928, then there
24 shall be reserved for acquisition by the States of Arizona and
25 Nevada, their respective agents, licensees, or assignees, at the

1 switchboard, at the plant or plants operated through the use
 2 of water impounded by said dam for each, electrical energy
 3 equivalent to 15 per centum of the total electrical energy
 4 made available by the use of such impounded water, to be
 5 contracted for by said respective States, or their agents,
 6 licensees, or assignees, within six months after notice by the
 7 Secretary of the Interior, and to be paid for as and when
 8 said electrical energy is ready for delivery. If said plant or
 9 plants are operated by the Government, then said electrical
 10 energy shall be delivered on the terms and charges provided
 11 in the general regulations for delivery of electrical energy at
 12 the switchboard to municipal corporations and political sub-
 13 divisions. If, however, said plant or plants are operated by
 14 the licensee or licensees of the Government, then said elec-
 15 trical energy shall be delivered at the switchboard by said
 16 licensee or licensees upon terms and charges equivalent to
 17 those that would have been fixed by the Government had the
 18 Government delivered such energy, and said equivalent terms
 19 and charges to be made by said licensee or licensees shall be
 20 established and fixed by the Government.

21 ~~(d)~~ (c) Nothing in this Act shall be deemed to waive
 22 any of the rights or powers reserved or granted to the United
 23 States by paragraph 7 of section 20 of the Act providing
 24 for the admission of Arizona, approved June 20, 1910, and

1 by the tenth paragraph of Article XX of the constitution of
2 Arizona, but the Secretary of the Interior is authorized on
3 behalf of the United States to exercise such of said rights and
4 powers as may be necessary or convenient for the construc-
5 tion and use of the works herein authorized and for carrying
6 out the purposes of this Act.

7 Sec. 9. That all lands of the United States found by
8 the Secretary of the Interior to be practicable of irrigation
9 and reclamation by the irrigation works authorized herein
10 shall be withdrawn from public entry. Thereafter, at the
11 direction of the Secretary of the Interior, such lands shall
12 be opened for entry, in tracts varying in size but not exceed-
13 ing one hundred and sixty acres, as may be determined by
14 the Secretary of the Interior, in accordance with the provi-
15 sions of the reclamation law, and any such entryman shall
16 pay an equitable share in accordance with the benefits
17 received, as determined by the said Secretary, of the con-
18 struction cost of said canal and appurtenant structures;
19 said payments to be made in such installments and at such
20 times as may be specified by the Secretary of the Interior,
21 in accordance with the provisions of the said reclamation
22 law, and shall constitute revenue from said project and be
23 covered into the fund herein provided for: *Provided*, That
24 all persons who have served in the United States Army,
25 Navy, or Marine Corps during the war with Germany, the

1 war with Spain, or in the suppression of the insurrection in
2 the Philippines, and who have been honorably separated
3 or discharged therefrom or placed in the Regular Army or
4 Navy Reserve, shall have the exclusive preference right for
5 a period of three months to enter said lands, subject, how-
6 ever, to the provision of subsection (c) of section 4, Act of
7 December 5, 1924 (Forty-third Statutes at Large, page
8 702); and also, so far as practicable, preference shall be
9 given to said persons in all construction work authorized
10 by this Act: *Provided further*, That in the event such an
11 entry shall be relinquished at any time prior to actual resi-
12 dence upon the land by the entryman for not less than one
13 year, lands so relinquished shall not be subject to entry for
14 a period of sixty days after the filing and notation of the
15 relinquishment in the local land office, and after the expira-
16 tion of said sixty-day period such land shall be open to
17 entry, subject to the preference in this section provided.

18 SEC. 10. That nothing in this Act shall be construed as
19 modifying in any manner the existing contract, dated October
20 23, 1918, between the United States and the Imperial Irriga-
21 tion District, providing for a connection with Laguna
22 Dam; but the Secretary of the Interior is authorized to
23 modify the said contract, with the consent of the said district,
24 and also to enter into contract or contracts with the said
25 district or other districts, persons, or agencies for the con-

1 construction, in accordance with this Act, of said canal and
 2 appurtenant structures, and also for the operation and main-
 3 tenance thereof, with the consent of the other users.

4 SEC. 11. "Political subdivision" or "political sub-
 5 divisions," as used in this Act, shall be understood to include
 6 any State, irrigation or other district, municipality, or other
 7 governmental organization.

8 "Reclamation law," as used in this Act, shall be under-
 9 stood to mean that certain Act of the Congress of the United
 10 States approved June 17, 1902, entitled "An Act appro-
 11 priating the receipts from the sale and disposal of public land
 12 in certain States and Territories to the construction of irri-
 13 gation works for the reclamation of arid lands," and the Acts
 14 amendatory thereof and supplemental thereto.

15 "Maintenance," as used herein, shall be deemed to in-
 16 clude in each instance provision for keeping the works in
 17 good operating condition.

18 "*The Federal Water Power Act*," as used in this Act,
 19 shall be understood to mean that certain Act of Congress
 20 of the United States approved June 10, 1920, entitled "*An*
 21 *Act to create a Federal Power Commission; to provide for*
 22 *the improvement of navigation; the development of water*
 23 *power; the use of the public lands in relation thereto; and*
 24 *to repeal section 18 of the River and Harbor Appropriation*

1 Act, approved August 8, 1917, and for other purposes," and
2 the Acts amendatory thereof and supplemental thereto.

3 "Domestic," whenever employed in this Act, shall
4 include water uses defined as domestic in said Colorado River
5 compact.

6 SEC. 12. (a) The Colorado River compact signed at
7 Sante Fe, New Mexico, November 24, 1922, pursuant to
8 Act of Congress approved August 19, 1921, entitled "An
9 Act to permit a compact or agreement between the States
10 of Arizona, California, Colorado, Nevada, New Mexico,
11 Utah, and Wyoming respecting the disposition and appor-
12 tionment of the waters of the Colorado River, and for other
13 purposes," is hereby approved by the Congress of the
14 United States, and the provisions of the first paragraph of
15 article 11 of the said Colorado River compact, making said
16 compact binding and obligatory when it shall have been
17 approved by the legislature of each of the signatory States,
18 are hereby waived, and this approval shall become effective
19 when the State of California and at least three *five* of the
20 other States mentioned, shall have approved or may here-
21 after approve said compact as aforesaid and shall consent
22 to such waiver, as herein provided.

23 (b) The rights of the United States in or to waters
24 of the Colorado River and its tributaries howsoever claimed

1 or acquired, as well as the rights of those claiming under the
 2 United States, shall be subject to and controlled by said
 3 Colorado River compact.

4 (c) Also all patents, grants, contracts, concessions,
 5 leases, permits, licenses, rights of way, or other privileges
 6 from the United States or under its authority, necessary
 7 or convenient for the use of waters of the Colorado River
 8 or its tributaries, or for the generation or transmission of
 9 electrical energy generated by means of the waters of said
 10 river or its tributaries, whether under this Act, the Federal
 11 Water Power Act, or otherwise, shall be upon the express
 12 condition and with the express covenant that the rights
 13 of the recipients or holders thereof to waters of the river
 14 or its tributaries, for the use of which the same are neces-
 15 sary, convenient, or incidental, and the use of the same
 16 shall likewise be subject to and controlled by said Colo-
 17 rado River compact.

18 (d) The conditions and covenants referred to herein
 19 shall be deemed to run with the land and the right, interest,
 20 or privilege therein and water right, and shall attach as a
 21 matter of law, whether set out or referred to in the instru-
 22 ment evidencing any such patent, grant, contract, conces-
 23 sion, lease permit, license, right of way, or other privilege
 24 from the United States or under its authority, or not, and
 25 shall be deemed to be for the benefit of and be available

1 to the States of Arizona, California, Colorado, Nevada,
2 New Mexico, Utah, and Wyoming, and the users of water
3 therein or thereunder, by way of suit, defense, or other-
4 wise, in any litigation respecting the waters of the Colorado
5 River or its tributaries.

6 SEC. 13. This Act shall be deemed a supplement to
7 the reclamation law, which said reclamation law shall govern
8 the construction, operation, and management of the irriga-
9 tion works herein authorized, except as otherwise herein
10 provided.

11 SEC. 14. The Secretary of the Interior is authorized
12 and directed to make investigation and public reports of the
13 feasibility of projects for irrigation, generation of electric
14 power, and other purposes in the States of Arizona, Nevada,
15 Colorado, New Mexico, Utah, and Wyoming for the pur-
16 pose of making such information available to said States and
17 to the Congress, and of formulating a comprehensive scheme
18 of headwater control and the improvement and utilization
19 of the water of the Colorado River and its tributaries. The
20 sum of \$250,000 is hereby authorized to be appropriated
21 from said Colorado River Dam fund, created by section 2
22 of this Act, for such purposes.

23 SEC. 15. Nothing in this Act shall be construed as a
24 denial or recognition of any existing rights, if any, in Mexico
25 to the use of the waters of the Colorado River system, and

1 this Act shall be without prejudice to the negotiation of a
2 treaty with Mexico affecting such rights.

3 SEC. 15. It is hereby declared that all waters of the
4 Colorado River stored by works hereby authorized, are
5 forever reserved for use within the United States. Nothing
6 in this Act, however, shall be construed as a denial of equi-
7 ties in the Republic of Mexico to the use of a portion of
8 the present normal flow of the Colorado River, and this
9 Act shall be without prejudice to the settlement of such
10 equities by treaty, including in the settlement the substitution,
11 either in whole or in part, of stored water for normal flow.

12 SEC. 16. After the repayments to the United States
13 of all money advanced with interest, as provided in this Act,
14 the plant or plants for the generation of electric power, if
15 constructed by the United States, together with appurtenant
16 water rights, equipment, and structures, exclusive of the
17 dam, subject to the provisions of the Colorado River com-
18 pact as herein provided for, and contracts for the sale of
19 power then in effect, shall become the property of the States
20 of Arizona, Nevada, and California, jointly, to be managed
21 and controlled by them as they may determine and decide
22 at the date of the transfer: Provided, however, That noth-
23 ing in this Act shall be construed as in anywise affecting
24 the validity of contracts for power made by the United States
25 prior to the transfer of the property to the States of Arizona,

1 Nevada, and California, and such contracts shall remain in
2 full force after said transfer and the vesting thereof in the
3 States of Arizona, Nevada, and California; And provided
4 further, That the exercise of control by the said States of
5 Arizona, Nevada, and California over the said power plants
6 shall be subject at all times to the right and authority of the
7 United States, through its Secretary of the Interior, to regu-
8 late the flow of the water from the said dam to improve
9 navigation, and for the purpose of reclamation of public
10 lands, control of the flood flow of the river, the satisfaction
11 of any treaty obligations assumed by the United States, and
12 the enforcement of the Colorado River compact as herein-
13 after set forth.

14 SEC. 17. Upon the passage of this Act, and its approval
15 by the President, and the approval of the Colorado River
16 compact, as provided in section 4 hereof, the Secretary of the
17 Interior is authorized to enter into a contract or contracts for the
18 construction, in the main stream of the Colorado River at
19 Black Canyon, or Boulder Canyon, at a cost not to exceed
20 \$20,000,000, of a retainer dam and incidental works for
21 the purpose of providing adequate protection from flood
22 waters on the lower Colorado River. The foundation work
23 for such flood-control dam shall be adequate to support
24 a dam or structure five hundred and fifty feet in height,

1 complying with the requirements of the dam authorized by
 2 section 1 of this Act. In the event said retainer dam should
 3 be constructed, then all the provisions of sections 8(a) and
 4 12 shall remain in full force and effect and be applicable
 5 to the project authorized in this section.

6 If and when all of the provisions of this Act come into
 7 full force and effect, then said expenditure of \$20,000,000
 8 shall become reimbursable under the provisions of this Act.

9 SEC. 18. Any commission, corporate entity, or author-
 10 ity created by and organized under any compact between
 11 California, Arizona, and Nevada, or by joint legislative
 12 enactment by the legislatures of said States, shall act in an
 13 advisory capacity to the Secretary of the Interior in the
 14 exercise of any authority conferred upon him by this Act,
 15 having to do with the enforcement or protection of the
 16 rights of the said States under said compact or legislative
 17 enactment, and such commission, corporate entity, or au-
 18 thority shall have at all times access to records of all Fed-
 19 eral agencies empowered to act under this Act and shall be
 20 entitled to have copies of said records on request.

21 SEC. 18 19. That the short title of this Act shall be
 22 "Boulder Canyon Project Act."

[COMMITTEE PRINT]

MARCH 10, 1928

[Including amendments suggested by Senator
PHIPPS]

70TH CONGRESS }
1st Session } S. 728

A BILL

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

By Mr. JOHNSON

DECEMBER 6 (calendar day, DECEMBER 9), 1927

Read twice and referred to the Committee on
Irrigation and Reclamation

COLORADO RIVER DEVELOPMENT

Bill No. S. 728

(Amendments shown in Italics in the Bill)

This is the original Johnson Bill as introduced with the following amendments:

1. Providing for compensation to States as outlined on page 6, line 5, of the bill, where it provides that the Secretary shall pay to each of the States of Arizona and Nevada 18-3/4% of any surplus that he may receive over the amount due the Government each year.
2. Power shall be sold at a competitive price and providing for readjustment periods up or down to conform with such prices as outlined on page 8, line 3 of the bill.
3. Provides that the three States, Arizona, California, and Nevada, may purchase up to one-third of the total amount of power to be used within their borders as provided on page 9, line 12, of the bill.
4. That the money expended for the All American Canal shall be reimbursable as provided by the Reclamation Act; in other words, shall not be paid from the proceeds from the power sales, as outlined on page 2, line 12, in the bill.
5. For the protection of the Upper Basin States and in lieu of a possible 7-State agreement, California's water supply is limited to 4,800,000 acre feet, which they must agree to before the Act is operative as outlined on page 7, line 4. This will it is believed protect the water supply of the Upper Basin States.
6. Requiring the Secretary to conform to the provisions of the Federal Water Power Act in administering the provisions of this act except where otherwise specifically provided, page 12, line 13.

The two main features that Nevada has been contending for are incorporated in this bill: compensation to the States and the right to purchase whatever may be needed for our own use within the State.

The readjustment and competitive price clause in reference to power makes it compulsory that the power be sold on a competitive basis and also that by the aid of the readjustment periods bidders have the assurance that they would not be stuck if the power price was lowered and we also had the assurance that if the price of power should increase we will receive what it is worth. The consensus of opinion among engineers who have studied

the fuel situation and the remaining hydro-electric developments in Southern California, is that the readjustment, if any, will be up rather than down.

The All American Canal being placed under the Reclamation Act relieves the power of the cost of this construction, since this Act provides that before any money can be expended contracts must be secured from the lands to repay the principal, and under this act there are no interest charges. The water limitation for California is merely to protect the Upper Basin States and get their support in lieu of the 7-State agreement.

We recommended in our report to the Senate Committee that Nevada and Arizona be compensated in lieu of taxes that they would receive from private development and that they be allowed in addition to withdraw certain blocks of power for use in their own state and that an advisory board be appointed from the three Lower Basin States in order to work with the Secretary in fixing the charges for the power and stored water. However, it was not deemed practicable to allow the States to withdraw blocks of power at any time that they might see fit, so in lieu of this arrangement we were allowed to take all we would need or could use within the State at one time, and the fixing by law that the power must be sold on a competitive basis eliminates in a large measure the need for the advisory board, although it would be desirable. The compensation measure of $37\frac{1}{2}\%$ for the two States is along the lines recommended by us.

We consider this a fair measure as written and will support it. We are of the opinion, however, that Los Angeles still intends to recommend the striking out of the compensation amendment on the floor of the Senate if possible. Since, if this could be done and the power would not have to be sold at a competitive price, power for Southern California could be secured much cheaper.

We anticipate some disturbance over this amendment for that reason, but since we consider this amendment fair and just to the States, we intend to support it to the last. It is the opinion of some that Senator Johnson of California would be just as well pleased if the bill was laid over until next session, due to the fact that it would make mighty fine campaign material and that an effort may be made to strike out the compensation feature and throw the burden of delaying the bill on Nevada and Arizona, even though convinced that it would pass next session with the amendment included. We would not be surprised if this happened.

Geo. W. Malone, State Engineer
Secretary of the Colorado River Commission.

Calendar No. 606

70TH CONGRESS
1ST SESSION

S. 728

[Report No. 592]

IN THE SENATE OF THE UNITED STATES

DECEMBER 6 (calendar day, DECEMBER 9), 1927

Mr. JOHNSON introduced the following bill; which was read twice and referred to the Committee on Irrigation and Reclamation

MARCH 20, 1928

Reported by Mr. JOHNSON, with amendments

[Omit the part struck through and insert the part printed in *italics*]

A BILL

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That for the purpose of controlling the floods, *improving*
4 *navigation* and regulating the flow of the lower Colorado
5 River, providing for storage and *for the* delivery of the stored
6 waters thereof for reclamation of public lands and other bene-

1 ficial uses *exclusively* within the United States, and for the
2 generation of electrical energy as a means of making
3 the project herein authorized a self-supporting and financially
4 solvent undertaking, the Secretary of the Interior, subject to
5 the terms of the Colorado River compact hereinafter men-
6 tioned, is hereby authorized to construct, operate, and main-
7 tain a dam and incidental works in the main stream of the
8 Colorado River at Black Canyon or Boulder Canyon adequate
9 to create a storage reservoir of a capacity of not less than
10 twenty million acre-feet of water and a main canal and
11 appurtenant structures located entirely within the United
12 States connecting the Laguna Dam with the Imperial and
13 Coachella Valleys in California, *the expenditures for said*
14 *main canal and appurtenant structures to be reimbursable, as*
15 *provided in the reclamation law: Provided, however, That*
16 *no charge shall be made for water or for the use, storage, or*
17 *delivery of water for irrigation or water for potable purposes;*
18 also to construct and equip, operate, and maintain at
19 or near said dam, a complete plant and incidental structures
20 suitable for the fullest economic development of electrical
21 energy from the water discharged from said reservoir; and
22 to acquire by proceedings in eminent domain, or otherwise,
23 all lands, rights of way, and other property necessary
24 for said purposes.

1 SEC. 2. (a) There is hereby established a special fund,
2 to be known as the "Colorado River Dam fund" (herein-
3 after referred to as the "fund"), and to be available, as
4 hereafter provided, only for carrying out the provisions of this
5 Act. All revenues received in carrying out the provisions
6 of this Act shall be paid into and expenditures shall be made
7 out of the fund, under the direction of the Secretary of the
8 Interior.

9 (b) The Secretary of the Treasury is authorized to
10 advance to the fund, from time to time and within the appro-
11 priations therefor, such amounts as the Secretary of the
12 Interior deems necessary for carrying out the provisions of
13 this Act, except that the aggregate amount of such advances
14 shall not exceed the sum of \$125,000,000. Interest at the
15 rate of 4 per centum per annum accruing during the year
16 upon the amounts so advanced and remaining unpaid shall
17 be paid annually out of the fund, *except as herein otherwise*
18 *provided.*

19 (c) Moneys in the fund advanced under subdivision
20 (b) shall be available only for expenditures for construction
21 and the payment of interest, during construction, upon the
22 amounts so advanced. No expenditures out of the fund shall
23 be made for operation and maintenance except from appro-
24 priations therefor.

(d) The Secretary of the Treasury shall charge the fund as of June 30 in each year with such amount as may be necessary for the payment of interest on advances made under subdivision (b) at the rate of 4 per centum per annum accrued during the year upon the amounts so advanced and remaining unpaid, except that if the fund is insufficient to meet the payment of interest the Secretary of the Treasury may, in his discretion, defer any part of such payment, and the amount so deferred shall bear interest at the rate of 4 per centum per annum until paid.

(e) The Secretary of the Interior shall certify to the Secretary of the Treasury, at the close of each fiscal year, the amount of money in the fund in excess of the amount necessary for construction, operation, and maintenance, and payment of interest. Upon receipt of each such certificate the Secretary of the Treasury is authorized and directed to charge the fund with the amount so certified as repayment of the advances made under subdivision (b), which amount shall be covered into the Treasury to the credit of miscellaneous receipts.

SEC. 3. There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such sums of money as may be necessary to carry out the purposes of this Act, not exceeding in the aggregate \$125,000,000.

1 SEC. 4. (a) No work shall be begun and no moneys
2 expended on or in connection with the works or structures
3 provided for in this Act, and no water rights shall be claimed
4 or initiated hereunder, and no steps shall be taken by the
5 United States or by others to initiate or perfect any claims
6 to the use of water pertinent to such works or structures
7 until the State of California and at least ~~three~~ *five* of the
8 States of Arizona, Colorado, Nevada, New Mexico, Utah, and
9 Wyoming shall have approved the Colorado River compact
10 mentioned in section 12 hereof and shall have consented to a
11 waiver of the provisions of the first paragraph of Article XI
12 of said compact, which makes the same binding and obliga-
13 tory only when approved by each of the seven States men-
14 tioned in said section 12, and shall have approved said
15 compact without condition save that of such approval by the
16 State of California and at least ~~three~~ *five* of the other States
17 mentioned and until the President by public proclamation
18 shall have so declared.

19 (b) Before any money is appropriated or any con-
20 struction work done or contracted for, the Secretary of the
21 Interior shall make provision for revenues, by contract ~~or~~
22 otherwise, in accordance with the provisions of this Act,
23 adequate, in his judgment, to insure payment of all expenses
24 of operation and maintenance of said works incurred by the
25 United States and the repayment, within fifty years from

1 the date of the completion of the project, of all amounts
2 advanced to the fund under subdivision (b) of section 2,
3 together with interest thereon, *made reimbursable under this*
4 *Act.*

5 *If during the period of amortization the Secretary of*
6 *the Interior shall receive revenues in excess of the amount*
7 *necessary to meet the periodical payments to the United States*
8 *as provided in the contract, or contracts, executed under*
9 *this Act, then, immediately after the settlement of such*
10 *periodical payments, he shall pay to the State of Arizona*
11 *$18\frac{3}{4}$ per centum of such excess revenues and to the State of*
12 *Nevada $18\frac{3}{4}$ per centum of such excess revenues.*

13 SEC. 5. That the Secretary of the Interior is hereby
14 authorized, under such general regulations as he may pre-
15 scribe, to contract for the storage of water in said reservoir
16 and for the delivery thereof at such points on the river and
17 on said canal as may be agreed upon, for irrigation and
18 domestic uses, *and generation of electrical energy and*
19 *delivery at the switchboard to States, municipal corpora-*
20 *tions, political subdivisions, and private corporations of*
21 *electrical energy generated at said dam, upon charges that*
22 *will provide revenue which, in addition to other revenue*
23 *accruing under the reclamation law and under this Act, will*
24 *in his judgment cover all expenses of operation and main-*
25 *tenance incurred by the United States on account of works*

1 constructed under this Act and the payments to the United
2 States under subdivision (b) of section 4. Contracts respect-
3 ing water for irrigation and domestic uses shall be for
4 permanent service: *Provided, however, That said contracts*
5 *shall not provide for an aggregate annual consumptive use*
6 *in California of more than 4,600,000 acre-feet of the water*
7 *allocated to the Lower Basin by the Colorado River compact*
8 *mentioned in section 12 and one-half of the unallocated,*
9 *excess and/or surplus water: Provided, further, That no*
10 *such contracts shall be made until California, by act of its*
11 *legislature, shall have ratified and approved the foregoing*
12 *provision for use of water in said State.* No person shall
13 have or be entitled to have the use for any purpose of the
14 water stored as aforesaid except by contract made as herein
15 stated.

16 After the repayments to the United States of all money
17 advanced with interest, charges shall be on such basis and
18 the revenues derived therefrom shall be disposed of as may
19 hereafter be prescribed by the Congress.

20 General and uniform regulations shall be prescribed
21 by the said Secretary for the awarding of contracts for the
22 sale and delivery of electrical energy, and for renewals
23 under subdivision (b) of this section, and in making such
24 contracts the following shall govern:

25 (a) No contract for electrical energy *or for generation*
26 *of electrical energy* shall be of longer duration than fifty

1 years from the date at which such energy is ready for
2 delivery.

3 *Contracts made pursuant to subdivision (a) of this*
4 *section shall contain provisions whereby at the end of fifteen*
5 *years from the date of their execution and every ten years*
6 *thereafter, there shall be readjustment of the contract, upon*
7 *the demand of either party thereto, either upward or down-*
8 *ward as to price, as the Secretary of the Interior may find*
9 *to be justified by competitive conditions at distributing points*
10 *or competitive centers, and with provisions under which*
11 *disputes or disagreements as to interpretation or performance*
12 *of such contract shall be determined either by arbitration or*
13 *court proceedings, the Secretary of the Interior being*
14 *authorized to act for the United States in such readjustments,*
15 *or proceedings.*

16 (b) The holder of any contract for electrical energy
17 not in default thereunder shall be entitled to a renewal thereof
18 upon such terms and conditions as may be authorized or
19 required under the then existing laws and regulations, unless
20 the property of such holder dependent for its usefulness on
21 a continuation of the contract be purchased or acquired and
22 such holder be compensated for damages to its property, used
23 and useful in the transmission and distribution of such elec-
24 trical energy and not taken, resulting from the termination
25 of the supply.

(c) Contracts for the use of water and necessary privileges for the generation and distribution of hydroelectric energy or for the sale and delivery of electrical energy shall be made with responsible applicants therefor who will pay the price fixed by the said Secretary with a view to meeting the revenue requirements of the project as herein provided for. In case of conflicting applications if any, such conflicts shall be resolved by the said Secretary, after hearing, with due regard to the public interest, and in conformity with the policy expressed in the Federal Water Power Act as to conflicting applications for permits and ~~license~~ licenses, except that preference to applicants for the use of water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy, or for delivery at the switchboard of a hydroelectric plant, shall be given, first, to a State for the generation or purchase of electric energy for use in the State, and the States of Arizona, California, and Nevada shall be given equal opportunity as such applicants.

The rights covered by such preference shall be contracted for by such State within six months after notice by the Secretary of the Interior and to be paid for on the same terms and conditions as may be provided in other similar contracts made by said Secretary: Provided, however, That no application of a State or a political subdivision for an

1 allocation of *water for power purposes or of* electrical energy
2 shall be denied or another application in conflict therewith
3 be granted on the ground that the bond issue of such *State*
4 *or* political subdivision, necessary to enable the applicant
5 to utilize *such water and appurtenant works and privileges*
6 *necessary for the generation and distribution of hydroelectric*
7 *energy or* the electrical energy applied for, has not been
8 authorized or marketed, until after a reasonable time, to
9 be determined by the said Secretary, has been given to such
10 applicant to have such bond issue authorized and marketed.

11 (d) Any agency receiving a contract for electrical
12 energy equivalent to one hundred thousand firm horsepower,
13 or more, may, when deemed feasible by the said Secretary,
14 from engineering and economic considerations and under
15 general regulations prescribed by him, be required to permit
16 other similar agency having contracts hereunder for less
17 than the equivalent of twenty-five thousand firm horse-
18 power, *upon application to the Secretary of the Interior made*
19 *within sixty days from the execution of the contract of the*
20 *agency the use of whose transmission line is applied for,*
21 to participate in the benefits and use of any main trans-
22 mission line constructed *or to be constructed* by the former
23 for carrying such energy (not exceeding, however, one-
24 fourth the capacity of such line), upon payment by such
25 other agencies of a reasonable share of the cost of con-
26 struction, operation, and maintenance thereof.

1 The use is hereby authorized of such public and reserved
2 lands of the United States as the said Secretary shall deter-
3 ~~mine to~~ *may* be necessary or convenient for the construction,
4 operation, and maintenance of main transmission lines to
5 transmit said electrical energy.

6 SEC. 6. That the dam and reservoir provided for by
7 section 1 hereof shall be used: First, for river regulation,
8 *improvement of navigation*, and flood control; second, for
9 irrigation and domestic uses and satisfaction of present per-
10 fected rights in pursuance of Article VIII of said Colorado
11 River compact; and third, for power. The title to said dam,
12 reservoir, plant, and incidental works shall forever remain
13 in the United States, and the United States shall ~~always~~,
14 *until otherwise provided by Congress*, control, manage, and
15 operate the same, *except as herein otherwise provided: Pro-*
16 *vided, however,* That the Secretary of the Interior may, in his
17 discretion, enter into contracts of lease of a unit or units of
18 ~~said plant~~ *any Government-built plant*, with right to generate
19 electrical energy, or, alternatively, to enter into contracts
20 of lease for the use of water for the generation of electrical
21 energy *as herein provided*, in either of which events the
22 provisions of section 5 of this Act relating to revenue, term,
23 renewals, determination of conflicting applications, and joint
24 use of transmission lines under contracts for the sale of elec-
25 trical energy, shall apply.

1 The Secretary of the Interior shall prescribe and enforce
2 rules and regulations conforming with the requirements of
3 the Federal Water Power Act, so far as applicable, respect-
4 ing maintenance of works in condition of repair adequate for
5 their efficient operation, maintenance of a system of account-
6 ing, control of rates and service in the absence of State
7 regulation or interstate agreement, valuation for rate-making
8 purposes, transfers of contracts, contracts extending beyond
9 the lease period, expropriation of excessive profits, emer-
10 gency use by the United States of property of lessees, and
11 penalties for enforcing regulations made under this Act or
12 penalizing failure to comply with such regulations or with
13 the provisions of this Act. *He shall also conform with other*
14 *provisions of the Federal Water Power Act and of the rules*
15 *and regulations of the Federal Power Commission, which*
16 *have been devised or which may be hereafter devised, for the*
17 *protection of the investor and consumer.*

18 SEC. 7. That the Secretary of the Interior may, in his
19 discretion, when repayments to the United States of all
20 money advanced, with interest, *reimbursable hereunder*, shall
21 have been made, transfer the title to said canal and appur-
22 tenant structures to the districts or other agencies of the
23 United States having a beneficial interest therein in propor-
24 tion to their respective capital investments under such form
25 of organization as may be acceptable to him. The said dis-

1 tricts or other agencies shall have the privilege at any time
2 of utilizing by contract or otherwise such power possibilities
3 as may exist upon said canal, in proportion to their respective
4 contributions or obligations toward the capital cost of said
5 canal and appurtenant structures from and including the
6 diversion works to the point where each respective power
7 plant may be located. The net proceeds from any power
8 development on said canal shall be paid into the fund and
9 credited to said districts or other agencies on their said con-
10 tracts, in proportion to their rights to develop power, until
11 the districts or other agencies using said canal shall have paid
12 thereby and under any contract or otherwise an amount of
13 money equivalent to the operation and maintenance expense
14 and cost of construction thereof.

15 SEC. 8. ~~(a)~~ All appropriations of water from the Colo-
16 rado River, incident to or resulting from the construction,
17 use, and operation of the works herein authorized, shall be
18 made and perfected in and in conformity with the laws
19 of those States which may or shall have approved the
20 Colorado River compact ratified in section 12 of this Act.
21 ~~(b)~~ (a) The United States, its permittees, licensees, and
22 contractees, and all users and appropriators of water stored,
23 diverted, carried, and/or distributed by the reservoir, canals,
24 and other works herein authorized, shall observe and be sub-
25 ject to and controlled by said Colorado River compact in the

1 construction, management, and operation of said reservoir,
2 canals, and other works and the storage, diversion, delivery,
3 and use of water for the generation of power, irrigation, and
4 other purposes, anything in this Act to the contrary notwith-
5 standing, and all permits, licenses, and contracts shall so
6 provide.

7 ~~(e)~~(b) Also the United States, in constructing, manag-
8 ing, and operating the dam, reservoir, canals, and other
9 works herein authorized, including the appropriation,
10 delivery, and use of water for the generation of power,
11 irrigation, or other uses, and all users of water thus deliv-
12 ered and all users and appropriators of waters stored by
13 said reservoir and/or carried by said canal, including all
14 permittees and licensees of the United States or any of its
15 agencies, shall observe and be subject to and controlled, any-
16 thing to the contrary herein notwithstanding, by the terms
17 of such compact, if any, between the States of Arizona,
18 California, and Nevada, *or any two thereof*, for the equitable
19 division of the benefits, including power, arising from the use
20 of water accruing to said States, subsidiary to and consistent
21 with said Colorado River compact, which may be negotiated
22 and approved by said States and to which Congress shall give
23 its consent and approval on or before ~~June 1, 1928~~ *January*
24 *1, 1929*; and the terms of any such compact concluded
25 between said States and approved and consented to by

1 Congress after said date: *Provided*, That in the latter case
2 such compact shall be subject to all contracts, if any, made
3 by the Secretary of the Interior under section 5 hereof prior
4 to the date of such approval and consent by Congress:
5 "*Provided further*, That in the event no such compact is
6 entered into between the States of Arizona, California, and
7 Nevada, prior to June 1, 1928, then there shall be reserved
8 for acquisition by the States of Arizona and Nevada, their
9 respective agents, licensees, or assignees, at the switchboard,
10 at the plant or plants operated through the use of water
11 impounded by said dam for each, electrical energy equivalent
12 to 45 per centum of the total electrical energy made avail-
13 able by the use of such impounded water, to be contracted
14 for by said respective States, or their agents, licensees, or
15 assignees, within six months after notice by the Secretary
16 of the Interior, and to be paid for as and when said electrical
17 energy is ready for delivery. If said plant or plants are
18 operated by the Government, then said electrical energy
19 shall be delivered on the terms and charges provided in the
20 general regulations for delivery of electrical energy at the
21 switchboard to municipal corporations and political subdi-
22 visions. If, however, said plant or plants are operated by
23 the licensee or licensees of the Government, then said elec-
24 trical energy shall be delivered at the switchboard by said
25 licensee or licensees upon terms and charges equivalent to

1 those that would have been fixed by the Government had
2 the Government delivered such energy, and said equivalent
3 terms and charges to be made by said licensee or licensees
4 shall be established and fixed by the Government.

5 ~~(d)~~ (c) Nothing in this Act shall be deemed to waive
6 or change any of the rights or powers reserved or granted
7 to the United States by paragraph 7 of section 20 of the
8 Act providing for the admission of Arizona, approved June
9 20, 1910, and by the tenth paragraph of Article XX of the
10 constitution of Arizona, but the Secretary of the Interior is
11 authorized on behalf of the United States to exercise such
12 of said rights and powers as may be necessary or convenient
13 for the construction and use of the works herein authorized
14 and for carrying out the purposes of this Act.

15 SEC. 9. That all lands of the United States found by
16 the Secretary of the Interior to be practicable of irrigation
17 and reclamation by the irrigation works authorized herein
18 shall be withdrawn from public entry. Thereafter, at the
19 direction of the Secretary of the Interior, such lands shall be
20 opened for entry, in tracts varying in size but not exceeding
21 one hundred and sixty acres, as may be determined by the
22 Secretary of the Interior, in accordance with the provisions
23 of the reclamation law, and any such entryman shall pay an
24 equitable share in accordance with the benefits received, as
25 determined by the said Secretary, of the construction cost of

1 said canal and appurtenant structures; said payments to be
2 made in such installments and at such times as may be speci-
3 fied by the Secretary of the Interior, in accordance with the
4 provisions of the said reclamation law, and shall constitute
5 revenue from said project and be covered into the fund herein
6 provided for: *Provided*, That all persons who have served
7 in the United States Army, Navy, or Marine Corps during
8 the war with Germany, the war with Spain, or in the sup-
9 pression of the insurrection in the Philippines, and who have
10 been honorably separated or discharged therefrom or placed
11 in the Regular Army or Navy Reserve, shall have the exclu-
12 sive preference right for a period of three months to enter
13 said lands, subject, however, to the provisions of subsection
14 (c) of section 4, Act of December 5, 1924 (Forty-third
15 Statutes at Large, page 702) ; and also, so far as practicable,
16 preference shall be given to said persons in all construction
17 work authorized by this Act: *Provided further*, That in the
18 event such an entry shall be relinquished at any time prior
19 to actual residence upon the land by the entryman for not
20 less than one year, lands so relinquished shall not be subject
21 to entry for a period of sixty days after the filing and nota-
22 tion of the relinquishment in the local land office, and after
23 the expiration of said sixty-day period such lands shall be
24 open to entry, subject to the preference in this section pro-
25 vided.

1 SEC. 10. That nothing in this Act shall be construed
2 as modifying in any manner the existing contract, dated
3 October 23, 1918, between the United States and the Im-
4 perial Irrigation District, providing for a connection with
5 Laguna Dam; but the Secretary of the Interior is authorized
6 to modify the said contract, with the consent of the said
7 district, and also to enter into contract or contracts with the
8 said district or other districts, persons, or agencies for the
9 construction, in accordance with this Act, of said canal and
10 appurtenant structures, and also for the operation and
11 maintenance thereof, with the consent of the other users.

12 SEC. 11. "Political subdivision" or "political sub-
13 divisions" as used in this Act shall be understood to include
14 any State, irrigation, or other district, municipality, or other
15 governmental organization.

16 "Reclamation law" as used in this Act shall be
17 understood to mean that certain Act of the Congress of the
18 United States approved June 17, 1902, entitled "An Act
19 appropriating the receipts from the sale and disposal of
20 public land in certain States and Territories to the construc-
21 tion of irrigation works for the reclamation of arid lands,"
22 and the Acts amendatory thereof and supplemental thereto.

23 "Maintenance" as used herein shall be deemed to in-
24 clude in each instance provision for keeping the works in
25 good operating condition.

1 *"The Federal Water Power Act," as used in this Act,*
2 *shall be understood to mean that certain Act of Congress of*
3 *the United States approved June 10, 1920, entitled "An Act*
4 *to create a Federal Power Commission; to provide for the*
5 *improvement of navigation; the development of water power;*
6 *the use of the public lands in relation thereto; and to repeal*
7 *section 18 of the River and Harbor Appropriation Act,*
8 *approved August 8, 1917, and for other purposes," and the*
9 *Acts amendatory thereof and supplemental thereto.*

10 *"Domestic" whenever employed in this Act shall include*
11 *water uses defined as "domestic" in said Colorado River*
12 *compact.*

13 SEC. 12. (a) The Colorado River compact signed at
14 Santa Fe, New Mexico, November 24, 1922, pursuant to
15 Act of Congress approved August 19, 1921, entitled "An
16 Act to permit a compact or agreement between the States
17 of Arizona, California, Colorado, Nevada, New Mexico,
18 Utah, and Wyoming respecting the disposition and appor-
19 tionment of the waters of the Colorado River, and for other
20 purposes," is hereby approved by the Congress of the United
21 States, and the provisions of the first paragraph of article 11
22 of the said Colorado River compact, making said compact
23 binding and obligatory when it shall have been approved
24 by the legislature of each of the signatory States, are hereby
25 waived, and this approval shall become effective when the

1 State of California and at least ~~three~~ *five* of the other States
2 mentioned, shall have approved or may hereafter approve
3 said compact as aforesaid and shall consent to such waiver,
4 *as herein provided.*

5 (b) The rights of the United States in or to waters
6 of the Colorado River and its tributaries howsoever claimed
7 or acquired, as well as the rights of those claiming under
8 the United States, shall be subject to and controlled by said
9 Colorado River compact.

10 (c) Also all patents, grants, contracts, concessions,
11 leases, permits, licenses, rights of way, or other privileges
12 from the United States or under its authority, necessary or
13 convenient for the use of waters of the Colorado River or
14 its tributaries, or for the generation or transmission of elec-
15 trical energy generated by means of the waters of said
16 river or its tributaries, whether under this Act, the Federal
17 Water Power Act, or otherwise, shall be upon the express
18 condition and with the express covenant that the rights of
19 the recipients or holders thereof to waters of the river or
20 its tributaries, for the use of which the same are necessary,
21 convenient, or incidental, and the use of the same shall
22 likewise be subject to and controlled by said Colorado River
23 compact.

24 (d) The conditions and covenants referred to herein
25 shall be deemed to run with the land and the right, interest,

1 or privilege therein and water right, and shall attach as a
2 matter of law, whether set out or referred to in the instru-
3 ment evidencing any such patent, grant, contract, concession,
4 lease, permit, license, right of way, or other privilege from
5 the United States or under its authority, or not, and shall
6 be deemed to be for the benefit of and be available to the
7 States of Arizona, California, Colorado, Nevada, New
8 Mexico, Utah, and Wyoming, and the users of water therein
9 or thereunder, by way of suit, defense, or otherwise, in
10 any litigation respecting the waters of the Colorado River
11 or its tributaries.

12 SEC. 13. This Act shall be deemed a supplement to the
13 reclamation law, which said reclamation law shall govern
14 the construction, operation, and management of the works
15 herein authorized, except as otherwise herein provided.

16 SEC. 14. The Secretary of the Interior is authorized and
17 directed to make investigation and public reports of the feasi-
18 bility of projects for irrigation, generation of electric power,
19 and other purposes in the States of Arizona, Nevada, Col-
20 orado, New Mexico, Utah, and Wyoming for the purpose
21 of making such information available to said States and to
22 the Congress, and of formulating a comprehensive scheme of
23 headwater control and the improvement and utilization of the
24 water of the Colorado River and its tributaries. The sum
25 of \$250,000 is hereby authorized to be appropriated from

1 said Colorado River Dam fund, created by section 2 of this
2 Act, for such purposes.

3 SEC. 15. Nothing in this Act shall be construed as a
4 denial or recognition of any existing rights, if any, in Mex-
5 ico to the use of the waters of the Colorado River system,
6 and this Act shall be without prejudice to the negotiation of a
7 treaty with Mexico affecting such rights.

8 SEC. 16 15. That the short title of this Act shall be
9 "Boulder Canyon Project Act."

70TH CONGRESS }
1st Session

S. 728

[Report No. 592]

A BILL

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

By Mr. JOHNSON

DECEMBER 8 (calendar day, DECEMBER 9), 1927.
Read twice and referred to the Committee on
Irrigation and Reclamation

MARCH 20, 1928

Reported with amendments

Calendar No. 606

70TH CONGRESS
1ST SESSION

S. 728

[Report No. 592]

IN THE SENATE OF THE UNITED STATES

DECEMBER 6 (calendar day, DECEMBER 9), 1927

Mr. JOHNSON introduced the following bill; which was read twice and referred to the Committee on Irrigation and Reclamation

MARCH 20, 1928

Reported by Mr. JOHNSON, with amendments

[Omit the part struck through and insert the part printed in *italic*]

A BILL

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That for the purpose of controlling the floods, *improving*
4 *navigation* and regulating the flow of the lower Colorado
5 River, providing for storage and *for the* delivery of the *stored*
6 waters thereof for reclamation of public lands and other bene-

1 ficial uses *exclusively* within the United States, and for the
2 generation of electrical energy as a means of making
3 the project herein authorized a self-supporting and financially
4 solvent undertaking, the Secretary of the Interior, subject to
5 the terms of the Colorado River compact hereinafter men-
6 tioned, is hereby authorized to construct, operate, and main-
7 tain a dam and incidental works in the main stream of the
8 Colorado River at Black Canyon or Boulder Canyon adequate
9 to create a storage reservoir of a capacity of not less than
10 twenty million acre-feet of water and a main canal and
11 appurtenant structures located entirely within the United
12 States connecting the Laguna Dam with the Imperial and
13 Coachella Valleys in California, *the expenditures for said*
14 *main canal and appurtenant structures to be reimbursable, as*
15 *provided in the reclamation law: Provided, however, That*
16 *no charge shall be made for water or for the use, storage, or*
17 *delivery of water for irrigation or water for potable purposes;*
18 also to construct and equip, operate, and maintain at
19 or near said dam, a complete plant and incidental structures
20 suitable for the fullest economic development of electrical
21 energy from the water discharged from said reservoir; and
22 to acquire by proceedings in eminent domain, or otherwise,
23 all lands, rights of way, and other property necessary
24 for said purposes.

1 SEC. 2. (a) There is hereby established a special fund,
2 to be known as the "Colorado River Dam fund" (herein-
3 after referred to as the "fund"), and to be available, as
4 hereafter provided, only for carrying out the provisions of this
5 Act. All revenues received in carrying out the provisions
6 of this Act shall be paid into and expenditures shall be made
7 out of the fund, under the direction of the Secretary of the
8 Interior.

9 (b) The Secretary of the Treasury is authorized to
10 advance to the fund, from time to time and within the appro-
11 priations therefor, such amounts as the Secretary of the
12 Interior deems necessary for carrying out the provisions of
13 this Act, except that the aggregate amount of such advances
14 shall not exceed the sum of \$125,000,000. Interest at the
15 rate of 4 per centum per annum accruing during the year
16 upon the amounts so advanced and remaining unpaid shall
17 be paid annually out of the fund, *except as herein otherwise*
18 *provided.*

19 (c) Moneys in the fund advanced under subdivision
20 (b) shall be available only for expenditures for construction
21 and the payment of interest, during construction, upon the
22 amounts so advanced. No expenditures out of the fund shall
23 be made for operation and maintenance except from appro-
24 priations therefor.

1 (d) The Secretary of the Treasury shall charge the
2 fund as of June 30 in each year with such amount as may
3 be necessary for the payment of interest on advances made
4 under subdivision (b) at the rate of 4 per centum per annum
5 accrued during the year upon the amounts so advanced and
6 remaining unpaid, except that if the fund is insufficient to
7 meet the payment of interest the Secretary of the Treasury
8 may, in his discretion, defer any part of such payment, and
9 the amount so deferred shall bear interest at the rate of 4
10 per centum per annum until paid.

11 (e) The Secretary of the Interior shall certify to the
12 Secretary of the Treasury, at the close of each fiscal year,
13 the amount of money in the fund in excess of the amount
14 necessary for construction, operation, and maintenance, and
15 payment of interest. Upon receipt of each such certificate
16 the Secretary of the Treasury is authorized and directed to
17 charge the fund with the amount so certified as repayment
18 of the advances made under subdivision (b), which amount
19 shall be covered into the Treasury to the credit of miscel-
20 laneous receipts.

21 SEC. 3. There is hereby authorized to be appropriated
22 from time to time, out of any money in the Treasury not
23 otherwise appropriated, such sums of money as may be
24 necessary to carry out the purposes of this Act, not exceed-
25 ing in the aggregate \$125,000,000.

1 SEC. 4. (a) No work shall be begun and no moneys
2 expended on or in connection with the works or structures
3 provided for in this Act, and no water rights shall be claimed
4 or initiated hereunder, and no steps shall be taken by the
5 United States or by others to initiate or perfect any claims
6 to the use of water pertinent to such works or structures
7 until the State of California and at least ~~three~~ *five* of the
8 States of Arizona, Colorado, Nevada, New Mexico, Utah, and
9 Wyoming shall have approved the Colorado River compact
10 mentioned in section 12 hereof and shall have consented to a
11 waiver of the provisions of the first paragraph of Article XI
12 of said compact, which makes the same binding and obliga-
13 tory only when approved by each of the seven States men-
14 tioned in said section 12, and shall have approved said
15 compact without condition save that of such approval by the
16 State of California and at least ~~three~~ *five* of the other States
17 mentioned and until the President by public proclamation
18 shall have so declared.

19 (b) Before any money is appropriated or any con-
20 struction work done or contracted for, the Secretary of the
21 Interior shall make provision for revenues, by contract or
22 otherwise, in accordance with the provisions of this Act,
23 adequate, in his judgment, to insure payment of all expenses
24 of operation and maintenance of said works incurred by the
25 United States and the repayment, within fifty years from

1 the date of the completion of the project, of all amounts
2 advanced to the fund under subdivision (b) of section 2,
3 together with interest thereon, *made reimbursable under this*
4 *Act.*

5 *If during the period of amortization the Secretary of*
6 *the Interior shall receive revenues in excess of the amount*
7 *necessary to meet the periodical payments to the United States*
8 *as provided in the contract, or contracts, executed under*
9 *this Act, then, immediately after the settlement of such*
10 *periodical payments, he shall pay to the State of Arizona*
11 *18 $\frac{3}{4}$ per centum of such excess revenues and to the State of*
12 *Nevada 18 $\frac{3}{4}$ per centum of such excess revenues.*

13 SEC. 5. That the Secretary of the Interior is hereby
14 authorized, under such general regulations as he may pre-
15 scribe, to contract for the storage of water in said reservoir
16 and for the delivery thereof at such points on the river and
17 on said canal as may be agreed upon, for irrigation and
18 domestic uses, *and generation of electrical energy* and
19 delivery at the switchboard to *States, municipal corpora-*
20 *tions, political subdivisions, and private corporations of*
21 *electrical energy generated at said dam, upon charges that*
22 *will provide revenue which, in addition to other revenue*
23 *accruing under the reclamation law and under this Act, will*
24 *in his judgment cover all expenses of operation and main-*
25 *tenance incurred by the United States on account of works*

1 constructed under this Act and the payments to the United
2 States under subdivision (b) of section 4. Contracts respect-
3 ing water for irrigation and domestic uses shall be for
4 permanent service: *Provided, however, That said contracts*
5 *shall not provide for an aggregate annual consumptive use*
6 *in California of more than 4,600,000 acre-feet of the water*
7 *allocated to the Lower Basin by the Colorado River compact*
8 *mentioned in section 12 and one-half of the unallocated,*
9 *excess and/or surplus water: Provided, further, That no*
10 *such contracts shall be made until California, by act of its*
11 *legislature, shall have ratified and approved the foregoing*
12 *provision for use of water in said State. No person shall*
13 *have or be entitled to have the use for any purpose of the*
14 *water stored as aforesaid except by contract made as herein*
15 *stated.*

16 After the repayments to the United States of all money
17 advanced with interest, charges shall be on such basis and
18 the revenues derived therefrom shall be disposed of as may
19 hereafter be prescribed by the Congress.

20 General and uniform regulations shall be prescribed
21 by the said Secretary for the awarding of contracts for the
22 sale and delivery of electrical energy, and for renewals
23 under subdivision (b) of this section, and in making such
24 contracts the following shall govern:

25 (a) No contract for electrical energy or for generation
26 of electrical energy shall be of longer duration than fifty

1 years from the date at which such energy is ready for
2 delivery.

3 *Contracts made pursuant to subdivision (a) of this*
4 *section shall contain provisions whereby at the end of fifteen*
5 *years from the date of their execution and every ten years*
6 *thereafter, there shall be readjustment of the contract, upon*
7 *the demand of either party thereto, either upward or down-*
8 *ward as to price, as the Secretary of the Interior may find*
9 *to be justified by competitive conditions at distributing points*
10 *or competitive centers, and with provisions under which*
11 *disputes or disagreements as to interpretation or performance*
12 *of such contract shall be determined either by arbitration or*
13 *court proceedings, the Secretary of the Interior being*
14 *authorized to act for the United States in such readjustments,*
15 *or proceedings.*

16 (b) The holder of any contract for electrical energy
17 not in default thereunder shall be entitled to a renewal thereof
18 upon such terms and conditions as may be authorized or
19 required under the then existing laws and regulations, unless
20 the property of such holder dependent for its usefulness on
21 a continuation of the contract be purchased or acquired and
22 such holder be compensated for damages to its property, used
23 and useful in the transmission and distribution of such elec-
24 trical energy and not taken, resulting from the termination
25 of the supply.

(c) Contracts for the use of water and necessary privileges for the generation and distribution of hydroelectric energy or for the sale and delivery of electrical energy shall be made with responsible applicants therefor who will pay the price fixed by the said Secretary with a view to meeting the revenue requirements of the project as herein provided for. In case of conflicting applications if any, such conflicts shall be resolved by the said Secretary, after hearing, with due regard to the public interest, and in conformity with the policy expressed in the Federal Water Power Act as to conflicting applications for permits and ~~license, licenses,~~ except that preference to applicants for the use of water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy, or for delivery at the switchboard of a hydroelectric plant, shall be given, first, to a State for the generation or purchase of electric energy for use in the State, and the States of Arizona, California, and Nevada shall be given equal opportunity as such applicants.

The rights covered by such preference shall be contracted for by such State within six months after notice by the Secretary of the Interior and to be paid for on the same terms and conditions as may be provided in other similar contracts made by said Secretary: Provided, however, That no application of a State or a political subdivision for an

1 allocation of *water for power purposes or of* electrical energy
2 shall be denied or another application in conflict therewith
3 be granted on the ground that the bond issue of such *State*
4 *or* political subdivision, necessary to enable the applicant
5 to utilize *such water and appurtenant works and privileges*
6 *necessary for the generation and distribution of hydroelectric*
7 *energy or* the electrical energy applied for, has not been
8 authorized or marketed, until after a reasonable time, to
9 be determined by the said Secretary, has been given to such
10 applicant to have such bond issue authorized and marketed.

11 (d) Any agency receiving a contract for electrical
12 energy equivalent to one hundred thousand firm horsepower,
13 or more, may, when deemed feasible by the said Secretary,
14 from engineering and economic considerations and under
15 general regulations prescribed by him, be required to permit
16 other similar agency having contracts hereunder for less
17 than the equivalent of twenty-five thousand firm horse-
18 power, upon application to the *Secretary of the Interior made*
19 *within sixty days from the execution of the contract of the*
20 *agency the use of whose transmission line is applied for,*
21 to participate in the benefits and use of any main trans-
22 mission line constructed *or to be constructed* by the former
23 for carrying such energy (not exceeding, however, one-
24 fourth the capacity of such line), upon payment by such
25 other agencies of a reasonable share of the cost of con-
26 struction, operation, and maintenance thereof.

1 The use is hereby authorized of such public and reserved
2 lands of the United States as ~~the said Secretary~~ shall deter-
3 ~~mine to~~ *may* be necessary or convenient for the construction,
4 operation, and maintenance of main transmission lines to
5 transmit said electrical energy.

6 SEC. 6. That the dam and reservoir provided for by
7 section 1 hereof shall be used: First, for river regulation,
8 *improvement of navigation*, and flood control; second, for
9 irrigation and domestic uses and satisfaction of present per-
10 fected rights in pursuance of Article VIII of said Colorado
11 River compact; and third, for power. The title to said dam,
12 reservoir, plant, and incidental works shall forever remain
13 in the United States, and the United States shall always,
14 *until otherwise provided by Congress*, control, manage, and
15 operate the same, *except as herein otherwise provided: Pro-*
16 *vided, however*, That the Secretary of the Interior may, in his
17 discretion, enter into contracts of lease of a unit or units of
18 ~~said plant~~ *any Government-built plant*, with right to generate
19 electrical energy, or, alternatively, to enter into contracts
20 of lease for the use of water for the generation of electrical
21 energy *as herein provided*, in either of which events the
22 provisions of section 5 of this Act relating to revenue, term,
23 renewals, determination of conflicting applications, and joint
24 use of transmission lines under contracts for the sale of elec-
25 trical energy, shall apply.

1 The Secretary of the Interior shall prescribe and enforce
2 rules and regulations conforming with the requirements of
3 the Federal Water Power Act, so far as applicable, respect-
4 ing maintenance of works in condition of repair adequate for
5 their efficient operation, maintenance of a system of account-
6 ing, control of rates and service in the absence of State
7 regulation or interstate agreement, valuation for rate-making
8 purposes, transfers of contracts, contracts extending beyond
9 the lease period, expropriation of excessive profits, emer-
10 gency use by the United States of property of lessees, and
11 penalties for enforcing regulations made under this Act or
12 penalizing failure to comply with such regulations or with
13 the provisions of this Act. *He shall also conform with other*
14 *provisions of the Federal Water Power Act and of the rules*
15 *and regulations of the Federal Power Commission, which*
16 *have been devised or which may be hereafter devised, for the*
17 *protection of the investor and consumer.*

18 SEC. 7. That the Secretary of the Interior may, in his
19 discretion, when repayments to the United States of all
20 money advanced, with interest, *reimbursable hereunder*, shall
21 have been made, transfer the title to said canal and appur-
22 tenant structures to the districts or other agencies of the
23 United States having a beneficial interest therein in propor-
24 tion to their respective capital investments under such form
25 of organization as may be acceptable to him. The said dis-

1 tricts or other agencies shall have the privilege at any time
2 of utilizing by contract or otherwise such power possibilities
3 as may exist upon said canal, in proportion to their respective
4 contributions or obligations toward the capital cost of said
5 canal and appurtenant structures from and including the
6 diversion works to the point where each respective power
7 plant may be located. The net proceeds from any power
8 development on said canal shall be paid into the fund and
9 credited to said districts or other agencies on their said con-
10 tracts, in proportion to their rights to develop power, until
11 the districts or other agencies using said canal shall have paid
12 thereby and under any contract or otherwise an amount of
13 money equivalent to the operation and maintenance expense
14 and cost of construction thereof.

15 SEC. 8. ~~(a)~~ All appropriations of water from the Colo-
16 rado River, incident to or resulting from the construction,
17 use, and operation of the works herein authorized, shall be
18 made and perfected in and in conformity with the laws
19 of those States which may or shall have approved the
20 Colorado River compact ratified in section 12 of this Act.
21 ~~(b)~~ (a) The United States, its permittees, licensees, and
22 contractees, and all users and appropriators of water stored,
23 diverted, carried, and/or distributed by the reservoir, canals,
24 and other works herein authorized, shall observe and be sub-
25 ject to and controlled by said Colorado River compact in the

1 construction, management, and operation of said reservoir,
2 canals, and other works and the storage, diversion, delivery,
3 and use of water for the generation of power, irrigation, and
4 other purposes, anything in this Act to the contrary notwith-
5 standing, and all permits, licenses, and contracts shall so
6 provide.

7 (e)(b) Also the United States, in constructing, manag-
8 ing, and operating the dam, reservoir, canals, and other
9 works herein authorized, including the appropriation,
10 delivery, and use of water for the generation of power,
11 irrigation, or other uses, and all users of water thus deliv-
12 ered and all users and appropriators of waters stored by
13 said reservoir and/or carried by said canal, including all
14 permittees and licensees of the United States or any of its
15 agencies, shall observe and be subject to and controlled, any-
16 thing to the contrary herein notwithstanding, by the terms
17 of such compact, if any, between the States of Arizona,
18 California, and Nevada, *or any two thereof*, for the equitable
19 division of the benefits, including power, arising from the use
20 of water accruing to said States, subsidiary to and consistent
21 with said Colorado River compact, which may be negotiated
22 and approved by said States and to which Congress shall give
23 its consent and approval on or before ~~June 1, 1928~~ *January*
24 *1, 1929*; and the terms of any such compact concluded
25 between said States and approved and consented to by

1 Congress after said date: *Provided*, That in the latter case
2 such compact shall be subject to all contracts, if any, made
3 by the Secretary of the Interior under section 5 hereof prior
4 to the date of such approval and consent by Congress:
5 "*Provided further*, That in the event no such compact is
6 entered into between the States of Arizona, California, and
7 Nevada, prior to June 1, 1928, then there shall be reserved
8 for acquisition by the States of Arizona and Nevada, their
9 respective agents, licensees, or assignees, at the switchboard,
10 at the plant or plants operated through the use of water
11 impounded by said dam for each, electrical energy equivalent
12 to 15 per centum of the total electrical energy made avail-
13 able by the use of such impounded water, to be contracted
14 for by said respective States, or their agents, licensees, or
15 assignees, within six months after notice by the Secretary
16 of the Interior, and to be paid for as and when said electrical
17 energy is ready for delivery. If said plant or plants are
18 operated by the Government, then said electrical energy
19 shall be delivered on the terms and charges provided in the
20 general regulations for delivery of electrical energy at the
21 switchboard to municipal corporations and political subdi-
22 visions. If, however, said plant or plants are operated by
23 the licensee or licensees of the Government, then said elec-
24 trical energy shall be delivered at the switchboard by said
25 licensee or licensees upon terms and charges equivalent to

1 those that would have been fixed by the Government had
2 the Government delivered such energy, and said equivalent
3 terms and charges to be made by said licensee or licensees
4 shall be established and fixed by the Government.

5 ~~(d)~~ (c) Nothing in this Act shall be deemed to waive
6 or change any of the rights or powers reserved or granted
7 to the United States by paragraph 7 of section 20 of the
8 Act providing for the admission of Arizona, approved June
9 20, 1910, and by the tenth paragraph of Article XX of the
10 constitution of Arizona, but the Secretary of the Interior is
11 authorized on behalf of the United States to exercise such
12 of said rights and powers as may be necessary or convenient
13 for the construction and use of the works herein authorized
14 and for carrying out the purposes of this Act.

15 SEC. 9. That all lands of the United States found by
16 the Secretary of the Interior to be practicable of irrigation
17 and reclamation by the irrigation works authorized herein
18 shall be withdrawn from public entry. Thereafter, at the
19 direction of the Secretary of the Interior, such lands shall be
20 opened for entry, in tracts varying in size but not exceeding
21 one hundred and sixty acres, as may be determined by the
22 Secretary of the Interior, in accordance with the provisions
23 of the reclamation law, and any such entryman shall pay an
24 equitable share in accordance with the benefits received, as
25 determined by the said Secretary, of the construction cost of

1 said canal and appurtenant structures; said payments to be
2 made in such installments and at such times as may be speci-
3 fied by the Secretary of the Interior, in accordance with the
4 provisions of the said reclamation law, and shall constitute
5 revenue from said project and be covered into the fund herein
6 provided for: *Provided*, That all persons who have served
7 in the United States Army, Navy, or Marine Corps during
8 the war with Germany, the war with Spain, or in the sup-
9 pression of the insurrection in the Philippines, and who have
10 been honorably separated or discharged therefrom or placed
11 in the Regular Army or Navy Reserve, shall have the exclu-
12 sive preference right for a period of three months to enter
13 said lands, subject, however, to the provisions of subsection
14 (c) of section 4, Act of December 5, 1924 (Forty-third
15 Statutes at Large, page 702); and also, so far as practicable,
16 preference shall be given to said persons in all construction
17 work authorized by this Act: *Provided further*, That in the
18 event such an entry shall be relinquished at any time prior
19 to actual residence upon the land by the entryman for not
20 less than one year, lands so relinquished shall not be subject
21 to entry for a period of sixty days after the filing and nota-
22 tion of the relinquishment in the local land office, and after
23 the expiration of said sixty-day period such lands shall be
24 open to entry, subject to the preference in this section pro-
25 vided.

1 SEC. 10. That nothing in this Act shall be construed
2 as modifying in any manner the existing contract, dated
3 October 23, 1918, between the United States and the Im-
4 perial Irrigation District, providing for a connection with
5 Laguna Dam; but the Secretary of the Interior is authorized
6 to modify the said contract, with the consent of the said
7 district, and also to enter into contract or contracts with the
8 said district or other districts, persons, or agencies for the
9 construction, in accordance with this Act, of said canal and
10 appurtenant structures, and also for the operation and
11 maintenance thereof, with the consent of the other users.

12 SEC. 11. "Political subdivision" or "political sub-
13 divisions" as used in this Act shall be understood to include
14 any State, irrigation, or other district, municipality, or other
15 governmental organization.

16 "Reclamation law" as used in this Act shall be
17 understood to mean that certain Act of the Congress of the
18 United States approved June 17, 1902, entitled "An Act
19 appropriating the receipts from the sale and disposal of
20 public land in certain States and Territories to the construc-
21 tion of irrigation works for the reclamation of arid lands,"
22 and the Acts amendatory thereof and supplemental thereto.

23 "Maintenance" as used herein shall be deemed to in-
24 clude in each instance provision for keeping the works in
25 good operating condition.

1 "The Federal Water Power Act," as used in this Act,
2 shall be understood to mean that certain Act of Congress of
3 the United States approved June 10, 1920, entitled "An Act
4 to create a Federal Power Commission; to provide for the
5 improvement of navigation; the development of water power;
6 the use of the public lands in relation thereto; and to repeal
7 section 18 of the River and Harbor Appropriation Act,
8 approved August 8, 1917, and for other purposes," and the
9 Acts amendatory thereof and supplemental thereto.

10 "Domestic" whenever employed in this Act shall include
11 water uses defined as "domestic" in said Colorado River
12 compact.

13 SEC. 12. (a) The Colorado River compact signed at
14 Santa Fe, New Mexico, November 24, 1922, pursuant to
15 Act of Congress approved August 19, 1921, entitled "An
16 Act to permit a compact or agreement between the States
17 of Arizona, California, Colorado, Nevada, New Mexico,
18 Utah, and Wyoming respecting the disposition and apper-
19 tionment of the waters of the Colorado River, and for other
20 purposes," is hereby approved by the Congress of the United
21 States, and the provisions of the first paragraph of article 11
22 of the said Colorado River compact, making said compact
23 binding and obligatory when it shall have been approved
24 by the legislature of each of the signatory States, are hereby
25 waived, and this approval shall become effective when the

1 State of California and at least ~~three~~ *five* of the other States
2 mentioned, shall have approved or may hereafter approve
3 said compact as aforesaid and shall consent to such waiver,
4 *as herein provided.*

5 (b) The rights of the United States in or to waters
6 of the Colorado River and its tributaries howsoever claimed
7 or acquired, as well as the rights of those claiming under
8 the United States, shall be subject to and controlled by said
9 Colorado River compact.

10 (c) Also all patents, grants, contracts, concessions,
11 leases, permits, licenses, rights of way, or other privileges
12 from the United States or under its authority, necessary or
13 convenient for the use of waters of the Colorado River or
14 its tributaries, or for the generation or transmission of elec-
15 trical energy generated by means of the waters of said
16 river or its tributaries, whether under this Act, the Federal
17 Water Power Act, or otherwise, shall be upon the express
18 condition and with the express covenant that the rights of
19 the recipients or holders thereof to waters of the river or
20 its tributaries, for the use of which the same are necessary,
21 convenient, or incidental, and the use of the same shall
22 likewise be subject to and controlled by said Colorado River
23 compact.

24 (d) The conditions and covenants referred to herein
25 shall be deemed to run with the land and the right, interest,

1 or privilege therein and water right, and shall attach as a
2 matter of law, whether set out or referred to in the instru-
3 ment evidencing any such patent, grant, contract, concession,
4 lease, permit, license, right of way, or other privilege from
5 the United States or under its authority, or not, and shall
6 be deemed to be for the benefit of and be available to the
7 States of Arizona, California, Colorado, Nevada, New
8 Mexico, Utah, and Wyoming, and the users of water therein
9 or thereunder, by way of suit, defense, or otherwise, in
10 any litigation respecting the waters of the Colorado River
11 or its tributaries.

12 SEC. 13. This Act shall be deemed a supplement to the
13 reclamation law, which said reclamation law shall govern
14 the construction, operation, and management of the works
15 herein authorized, except as otherwise herein provided.

16 SEC. 14. The Secretary of the Interior is authorized and
17 directed to make investigation and public reports of the feasi-
18 bility of projects for irrigation, generation of electric power,
19 and other purposes in the States of Arizona, Nevada, Col-
20 orado, New Mexico, Utah, and Wyoming for the purpose
21 of making such information available to said States and to
22 the Congress, and of formulating a comprehensive scheme of
23 headwater control and the improvement and utilization of the
24 water of the Colorado River and its tributaries. The sum
25 of \$250,000 is hereby authorized to be appropriated from

1 said Colorado River Dam fund, created by section 2 of this
2 Act, for such purposes.

3 SEC. 15. Nothing in this Act shall be construed as a
4 denial or recognition of any existing rights, if any, in Mex-
5 ico to the use of the waters of the Colorado River system,
6 and this Act shall be without prejudice to the negotiation of a
7 treaty with Mexico affecting such rights.

8 SEC. 16 15. That the short title of this Act shall be
9 "Boulder Canyon Project Act."

10 any litigation respecting the waters of the Colorado River
11 or its tributaries.

12 SEC. 18. This Act shall be deemed a supplement to the
13 reclamation law, which said reclamation law shall govern
14 the construction, operation, and management of the works
15 herein authorized, except as otherwise herein provided.

16 SEC. 14. The Secretary of the Interior is authorized and
17 directed to make investigation and public reports of the feasibility
18 of projects for irrigation, generation of electric power,
19 and other purposes in the States of Arizona, Nevada, Col-
20 orado, New Mexico, Utah, and Wyoming for the purpose
21 of making such information available to said States and to
22 the Congress, and of formulating a comprehensive scheme of
23 boundary control and the improvement and utilization of the
24 water of the Colorado River and its tributaries. The sum
25 of \$2,000,000 is hereby authorized to be appropriated from

70TH CONGRESS }
1ST Session

S. 728

[Report No. 592]

A BILL

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

By Mr. JOHNSON

DECEMBER 8 (calendar day, DECEMBER 9), 1927

Read twice and referred to the Committee on Irrigation and Reclamation

MARCH 20, 1928

Reported with amendments

70TH CONGRESS
1ST SESSION

S. 728

IN THE SENATE OF THE UNITED STATES

APRIL 20 (calendar day, APRIL 24), 1928

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BRATTON to the bill (S. 728)

to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes, viz: On page 5, strike out all of lines 1 to 18, both inclusive, and insert in lieu thereof the following:

- 1 SEC. 4. (a) This Act shall not take effect, and no
- 2 authority shall be exercised hereunder, unless and until (1)
- 3 the States of California, Colorado, Nevada, New Mexico,
- 4 Utah, Arizona, and Wyoming shall have ratified the Colo-
- 5 rado River compact mentioned in section 12 hereof, and
- 6 the President, by public proclamation, shall have so declared,
- 7 or (2) if after one year from the date of the passage of

1 this Act the said States shall fail to ratify the said com-
 2 pact, then six States, including the State of California, shall
 3 ratify said compact, and shall consent to waiver the provisions
 4 of the first paragraph of Article II of said compact, which
 5 makes the same binding and obligatory only when approved
 6 by each of the seven States mentioned in said section 12,
 7 and shall have approved said compact without conditions,
 8 save that of such six States' approval, and the President,
 9 by public proclamation, shall have so declared: *Provided,*
 10 *however,* That if ratification should be upon a six-State basis,
 11 then California shall agree in the ratifying Act that the
 12 aggregate annual consumptive use in California of waters
 13 of the Colorado River shall never exceed four million two
 14 hundred thousand acre-feet, and that the use by California
 15 of the excess or surplus waters unallocated by the Colorado
 16 River compact shall never exceed annually one-half of such
 17 excess or surplus waters, such use always to be subject to
 18 the terms of the Colorado River compact.

1 SEC. 4. (a) This Act shall not take effect, and no
 2 authority shall be exercised hereunder, unless and until (1)
 3 the States of California, Colorado, Nevada, New Mexico,
 4 Utah, Arizona, and Wyoming shall have ratified the Colo-
 5 rado River compact mentioned in section 12 hereof, and
 6 the President, by public proclamation, shall have so declared,
 7 or (2) if after one year from the date of the passage of

70TH CONGRESS }
1st Session } S. 728

AMENDMENT

Intended to be proposed by Mr. BRATTON to the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

APRIL 20 (calendar day, APRIL 24), 1928

Ordered to lie on the table and to be printed

70TH CONGRESS
1ST SESSION

S. 728

IN THE SENATE OF THE UNITED STATES

MAY 3 (calendar day, MAY 19), 1928

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. PHIPPS to the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes, viz:

✓ 1 On page 5, strike out all of lines 1 to 18, inclusive, and

2 insert in lieu thereof the following:

3 "SEC. 4 (a). This Act shall not take effect and no

4 authority shall be exercised hereunder and no work shall be

5 begun and no moneys expended on or in connection with the

6 works or structures provided for in this Act, and no water

7 rights shall be claimed or initiated hereunder, and no steps

8 shall be taken by the United States or by others to initiate or

1 perfect any claims to the use of water pertinent to such
2 works or structures unless and until (1) the States of Ari-
3 zona, California, Colorado, Nevada, New Mexico, Utah, and
4 Wyoming shall have ratified the Colorado River Compact,
5 mentioned in section 12 hereof, and the President by public
6 proclamation shall have so declared, or (2) if said States
7 fail to ratify the said compact within one year from the
8 date of the passage of this Act, then, until six of said States,
9 including the State of California, shall ratify said compact
10 and shall consent to waive the provisions of the first para-
11 graph of Article XI of said compact, which makes the same
12 binding and obligatory only when approved by each of the
13 seven states signatory thereto, and shall have approved said
14 compact without conditions, save that of such six State ap-
15 proval, and the President by public proclamation shall have
16 so declared, and, further, until the State of California, by
17 Act of its legislature, shall agree with the United States and
18 for the benefit of the States of Arizona, Colorado, Nevada,
19 New Mexico, Utah, and Wyoming, as an express covenant
20 and in consideration of the passage of this Act, that the
21 aggregate annual diversions of water of and from the Colo-
22 rado River for use in the State of California, including all
23 diversions under contracts made under the provisions of this
24 Act and all water necessary for the supply of any rights
25 which may now exist, shall not exceed four million six

1 hundred thousand acre-feet of the waters apportioned to the
 2 Lower Basin States by the Colorado River Compact ~~and for~~ *plus not*
 3 more than one-half of any excess or surplus waters unappor-
 4 tioned by said compact, such diversions always to be subject
 5 to the terms of said compact."

6 On page 7, strike out lines 4 to 12, inclusive, and insert
 7 in lieu thereof the following: "permanent service and shall
 8 conform to paragraph (a) of section 4 of this Act. No
 9 person shall".

AMENDMENTS

THE PROVISIONS
 OF THE COLORADO RIVER COMPACT

2. 158

AMENDMENTS

Intended to be proposed by Mr. PHIPPS to the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

May 3 (calendar day, May 19), 1928

Ordered to lie on the table and to be printed

To the Senators and Congressmen
of the States of Colorado, Utah,
Wyoming and New Mexico:

16 copies letter
size
the letter only to be
single space

We have had under consideration and advisement the provisions of Senate Bill 728, as it is now pending before the Senate, and are convinced that it should be amended in certain particulars for the protection of the Upper Basin States, and to avoid confusion between the Colorado River States.

To this end we have prepared a draft of amendments affording such protection, and attach a copy thereof, designated as Form A. It will be observed that the amendments set out in Form A are substantially those presented by Senator Phipps of Colorado, and by Senator Bratton of New Mexico, in harmony with the intention of Committee amendment to Section 5 of the Bill, to which we have added an amendment suspending the powers of the Federal Power Commission over the Colorado River and its tributaries until the Act should become effective.

The amendments contained in Form A, should be adopted as part of the measure unless the States of Arizona, Nevada and California so compose their differences as to make possible the inclusion of an amendment providing for full seven state ratification.

In the event of the acceptance of something similar to the amendment in Form B, by those states, in time to have it included in the Bill, we should be glad to see the agreement substituted for Form A, for the reason that it would result in a Seven State Ratification of the Compact, and settlement of the differences between California and Arizona.

Respectfully submitted,

Governor of Wyoming

Governor of Colorado.

Governor of New Mexico

Governor of Utah

Form A

70TH CONGRESS
2ND SESSION

S. 728

Amendments to an Act entitled "An Act to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River Compact and for other purposes" as reported by the Senate Committee on Irrigation.

Proposed by the Governors of the States of the Upper Basin of the Colorado River, November 22, 1928.

On page 5, strike out all of lines 1 to 18, inclusive, and insert in lieu thereof the following:

"SEC. 4 (a). This Act shall not take effect and no authority shall be exercised hereunder and no work shall be begun and no moneys expended on or in connection with the works or structures provided for in this Act, and no water rights shall be claimed or initiated hereunder, and no steps shall be taken by the United States or by others to initiate or perfect any claims to the use of water pertinent to such works or structures unless and until (1) the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming shall have ratified the Colorado River Compact, mentioned in section 12 hereof, and the President by public proclamation shall have so declared, or (2) if said States fail to ratify the said compact within one year from the date of the passage of this Act, then, until six of said States, including the State of California, shall ratify said compact and shall consent to waive the provisions of the first paragraph of Article XI of said compact, which makes the same binding and obligatory only when approved by each of the seven states signatory thereto, and shall have approved said compact without conditions, save that of such six State approval, and the President by public proclamation shall have so declared, and, further, until the State of California, by Act of its legislature, shall agree with the United States and for the benefit of the

States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming, as an express covenant and in consideration of the passage of this Act, that the aggregate annual diversions of water of and from the Colorado River for use in the State of California, including all diversions under contracts made under the provisions of this Act and all water necessary for the supply of any rights which may now exist, shall not exceed four million six hundred thousand acre-feet of the waters apportioned to the Lower Basin States by the Colorado River Compact, plus not more than one-half of any excess or surplus waters unapportioned by said compact, such diversions always to be subject to the terms of said compact."

On page 7, strike out lines 4 to 12, inclusive, and insert in lieu thereof the following: "permanent service and shall conform to paragraph (a) of section 4 of this Act. No person shall".

On page 12, after line 17, add the following paragraph to Section 6:

"The Federal Power Commission is hereby directed not to issue or approve any permits or licenses under said Federal water power act upon or affecting the Colorado River or any of its tributaries, in the States of Colorado, Wyoming, Utah, New Mexico, Nevada, Arizona, and California until this act shall become effective as provided in Section 4 herein."

Form B

PROPOSED AMENDMENT TO S. 728

Sec. 4 (a) This act shall not take effect and no authority shall be exercised hereunder, unless and until the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming shall have ratified the Colorado River Compact mentioned in Section 12 hereof, and the President, by public proclamation, shall have so declared, provided, that the ratification act of the State of California shall contain a provision agreeing that the aggregate annual consumptive use by that State of waters of the Colorado River shall never exceed four million two hundred thousand acre feet of the water apportioned to the Lower Basin by paragraph (a), of Article III of said Compact, and that the aggregate beneficial consumptive use by that State of waters of the Colorado River shall never exceed five hundred thousand acre feet of the water apportioned by the Compact to the Lower Basin by paragraph (b) of said Article III; and that the use by California of the excess or surplus waters unapportioned by the Colorado River Compact shall never exceed annually one-half of such excess or surplus waters; and that the limitations so accepted by California shall be irrevocable and unconditional, unless modified by the agreement described in the following paragraph, nor shall said limitations apply to water diverted by or for the benefit of the Yuma Reclamation project for domestic, agricultural or power purposes except to the portion thereof consumptively used in California for domestic and agricultural purposes.

The said ratifying act shall further provide that if by tri-State agreement hereinafter entered into by the States of California,

Nevada and Arizona the foregoing limitations are accepted and approved as fixing the apportionment of water to California, then California shall and will therein agree (1), that of the 7,500,000 acre feet annually apportioned to the Lower Basin by paragraph (a) of Article III of the Colorado River Compact, there shall be apportioned to the States of Nevada 300,000 acre feet and to the State of Arizona 3,000,000 acre feet for exclusive beneficial consumptive use in perpetuity, and, (2), of the 1,000,000 acre feet in addition which the Lower Basin has the right to use annually by paragraph (b) of said Article, there shall be apportioned to the State of Arizona 500,000 acre feet for beneficial consumptive use and, (3), that the State of Arizona may annually use one-half of the excess or surplus waters unapportioned by the Colorado River Compact and, (4), that the State of Arizona shall have the exclusive beneficial consumptive use of the Gila River and its tributaries within the boundaries of said State and, (5), that the waters of the Gila River and its tributaries shall never be subject to any diminution whatever by any allowance of water which may be made by treaty or otherwise to the United States of Mexico but if, as provided in paragraph (c) of Article III of the Colorado River Compact, it shall become necessary to supply water to the United States of Mexico from waters apportioned by said Compact, then the State of California shall and will mutually agree with the State of Arizona to supply one-half of any deficiency which must be supplied to Mexico by the Lower Basin and, (6), that the State of

California shall and will further mutually agree with the States of Arizona and Nevada that none of said three States shall withhold water and none shall require the delivery of water, which cannot reasonably be applied to domestic and agricultural uses, and (7) that the terms of any such tri-state agreement shall be subject and subsidiary to the terms of the Colorado River Compact.

Calendar No. 606

70TH CONGRESS
1ST SESSION

S. 728

[Report No. 592]

IN THE SENATE OF THE UNITED STATES

DECEMBER 6 (calendar day, DECEMBER 9), 1927

Mr. JOHNSON introduced the following bill; which was read twice and referred to the Committee on Irrigation and Reclamation

MARCH 20, 1928

Reported by Mr. JOHNSON, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That for the purpose of controlling the floods, improving
4 navigation and regulating the flow of the lower Colorado
5 River, providing for storage and *for the delivery of the stored*
6 waters thereof for reclamation of public lands and other bene-

1 ficial uses *exclusively* within the United States, and for the
2 generation of electrical energy as a means of making
3 the project herein authorized a self-supporting and financially
4 solvent undertaking, the Secretary of the Interior, subject to
5 the terms of the Colorado River compact hereinafter men-
6 tioned, is hereby authorized to construct, operate, and main-
7 tain a dam and incidental works in the main stream of the
8 Colorado River at Black Canyon or Boulder Canyon adequate
9 to create a storage reservoir of a capacity of not less than
10 twenty million acre-feet of water and a main canal and
11 appurtenant structures located entirely within the United
12 States connecting the Laguna Dam with the Imperial and
13 Coachella Valleys in California, *the expenditures for said*
14 *main canal and appurtenant structures to be reimbursable, as*
15 *provided in the reclamation law: Provided, however, That*
16 *no charge shall be made for water or for the use, storage, or*
17 *delivery of water for irrigation or water for potable purposes;*
18 also to construct and equip, operate, and maintain at
19 or near said dam, a complete plant and incidental structures
20 suitable for the fullest economic development of electrical
21 energy from the water discharged from said reservoir; and
22 to acquire by proceedings in eminent domain, or otherwise,
23 all lands, rights of way, and other property necessary
24 for said purposes.

1 SEC. 2. (a) There is hereby established a special fund,
2 to be known as the "Colorado River Dam fund" (herein-
3 after referred to as the "fund"), and to be available, as
4 hereafter provided, only for carrying out the provisions of this
5 Act. All revenues received in carrying out the provisions
6 of this Act shall be paid into and expenditures shall be made
7 out of the fund, under the direction of the Secretary of the
8 Interior.

9 (b) The Secretary of the Treasury is authorized to
10 advance to the fund, from time to time and within the appro-
11 priations therefor, such amounts as the Secretary of the
12 Interior deems necessary for carrying out the provisions of
13 this Act, except that the aggregate amount of such advances
14 shall not exceed the sum of \$125,000,000. Interest at the
15 rate of 4 per centum per annum accruing during the year
16 upon the amounts so advanced and remaining unpaid shall
17 be paid annually out of the fund, *except as herein otherwise*
18 *provided.*

19 (c) Moneys in the fund advanced under subdivision
20 (b) shall be available only for expenditures for construction
21 and the payment of interest, during construction, upon the
22 amounts so advanced. No expenditures out of the fund shall
23 be made for operation and maintenance except from appro-
24 priations therefor.

(d) The Secretary of the Treasury shall charge the fund as of June 30 in each year with such amount as may be necessary for the payment of interest on advances made under subdivision (b) at the rate of 4 per centum per annum accrued during the year upon the amounts so advanced and remaining unpaid, except that if the fund is insufficient to meet the payment of interest the Secretary of the Treasury may, in his discretion, defer any part of such payment, and the amount so deferred shall bear interest at the rate of 4 per centum per annum until paid.

(e) The Secretary of the Interior shall certify to the Secretary of the Treasury, at the close of each fiscal year, the amount of money in the fund in excess of the amount necessary for construction, operation, and maintenance, and payment of interest. Upon receipt of each such certificate the Secretary of the Treasury is authorized and directed to charge the fund with the amount so certified as repayment of the advances made under subdivision (b), which amount shall be covered into the Treasury to the credit of miscellaneous receipts.

SEC. 3. There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such sums of money as may be necessary to carry out the purposes of this Act, not exceeding in the aggregate \$125,000,000.

Substitute Phillips amendment

1 SEC. 4. (a) No work shall be begun and no moneys
2 expended on or in connection with the works or structures
3 provided for in this Act, and no water rights shall be claimed
4 or initiated hereunder, and no steps shall be taken by the
5 United States or by others to initiate or perfect any claims
6 to the use of water pertinent to such works or structures
7 until the State of California and at least ~~three~~ *five* of the
8 States of Arizona, Colorado, Nevada, New Mexico, Utah, and
9 Wyoming shall have approved the Colorado River compact
10 mentioned in section 12 hereof and shall have consented to a
11 waiver of the provisions of the first paragraph of Article XI
12 of said compact, which makes the same binding and obliga-
13 tory only when approved by each of the seven States men-
14 tioned in said section 12, and shall have approved said
15 compact without condition save that of such approval by the
16 State of California and at least ~~three~~ *five* of the other States
17 mentioned and until the President by public proclamation
18 shall have so declared.

19 (b) Before any money is appropriated or any con-
20 struction work done or contracted for, the Secretary of the
21 Interior shall make provision for revenues, by contract or
22 otherwise, in accordance with the provisions of this Act,
23 adequate, in his judgment, to insure payment of all expenses
24 of operation and maintenance of said works incurred by the
25 United States and the repayment, within fifty years from

1 the date of the completion of the project, of all amounts
2 advanced to the fund under subdivision (b) of section 2,
3 together with interest thereon, *made reimbursable under this*
4 *Act.*

5 *If during the period of amortization the Secretary of*
6 *the Interior shall receive revenues in excess of the amount*
7 *necessary to meet the periodical payments to the United States*
8 *as provided in the contract, or contracts, executed under*
9 *this Act, then, immediately after the settlement of such*
10 *periodical payments, he shall pay to the State of Arizona*
11 *18 $\frac{3}{4}$ per centum of such excess revenues and to the State of*
12 *Nevada 18 $\frac{3}{4}$ per centum of such excess revenues.*

13 SEC. 5. That the Secretary of the Interior is hereby
14 authorized, under such general regulations as he may pre-
15 scribe, to contract for the storage of water in said reservoir
16 and for the delivery thereof at such points on the river and
17 on said canal as may be agreed upon, for irrigation and
18 domestic uses, *and generation of electrical energy and*
19 *delivery at the switchboard to States, municipal corpora-*
20 *tions, political subdivisions, and private corporations of*
21 *electrical energy generated at said dam, upon charges that*
22 *will provide revenue which, in addition to other revenue*
23 *accruing under the reclamation law and under this Act, will*
24 *in his judgment cover all expenses of operation and main-*
25 *tenance incurred by the United States on account of works*

1 constructed under this Act and the payments to the United
 2 States under subdivision (b) of section 4. Contracts respect-
 3 ing water for irrigation and domestic uses shall be for
 4 permanent service: *and shall conform to paragraph (a)*
 5 *of section 4 of this Act.* ~~Provided, however, That said contracts~~
 6 ~~shall not provide for an aggregate annual consumptive use~~
 7 ~~in California of more than 4,600,000 acre-feet of the water~~
 8 ~~allocated to the Lower Basin by the Colorado River compact~~
 9 ~~mentioned in section 12 and one-half of the unallocated,~~
 10 ~~excess and/or surplus water: Provided, further, That no~~
 11 ~~such contracts shall be made until California, by act of its~~
 12 ~~legislature, shall have ratified and approved the foregoing~~
 13 ~~provision for use of water in said State. No person shall~~
 14 ~~have or be entitled to have the use for any purpose of the~~
 15 ~~water stored as aforesaid except by contract made as herein~~
 16 ~~stated.~~

17 After the repayments to the United States of all money
 18 advanced with interest, charges shall be on such basis and
 19 the revenues derived therefrom shall be disposed of as may
 20 hereafter be prescribed by the Congress.

21 General and uniform regulations shall be prescribed
 22 by the said Secretary for the awarding of contracts for the
 23 sale and delivery of electrical energy, and for renewals
 24 under subdivision (b) of this section, and in making such
 25 contracts the following shall govern:

- 26 (a) No contract for electrical energy or for generation
 of electrical energy shall be of longer duration than fifty

1 years from the date at which such energy is ready for
2 delivery.

3 *Contracts made pursuant to subdivision (a) of this*
4 *section shall contain provisions whereby at the end of fifteen*
5 *years from the date of their execution and every ten years*
6 *thereafter, there shall be readjustment of the contract, upon*
7 *the demand of either party thereto, either upward or down-*
8 *ward as to price, as the Secretary of the Interior may find*
9 *to be justified by competitive conditions at distributing points*
10 *or competitive centers, and with provisions under which*
11 *disputes or disagreements as to interpretation or performance*
12 *of such contract shall be determined either by arbitration or*
13 *court proceedings, the Secretary of the Interior being*
14 *authorized to act for the United States in such readjustments,*
15 *or proceedings.*

16 (b) The holder of any contract for electrical energy
17 not in default thereunder shall be entitled to a renewal thereof
18 upon such terms and conditions as may be authorized or
19 required under the then existing laws and regulations, unless
20 the property of such holder dependent for its usefulness on
21 a continuation of the contract be purchased or acquired and
22 such holder be compensated for damages to its property, used
23 and useful in the transmission and distribution of such elec-
24 trical energy and not taken, resulting from the termination
25 of the supply.

(c) Contracts for the use of water and necessary privileges for the generation and distribution of hydroelectric energy or for the sale and delivery of electrical energy shall be made with responsible applicants therefor who will pay the price fixed by the said Secretary with a view to meeting the revenue requirements of the project as herein provided for. In case of conflicting applications if any, such conflicts shall be resolved by the said Secretary, after hearing, with due regard to the public interest, and in conformity with the policy expressed in the Federal Water Power Act as to conflicting applications for permits and ~~license~~, licenses, except that preference to applicants for the use of water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy, or for delivery at the switchboard of a hydroelectric plant, shall be given, first, to a State for the generation or purchase of electric energy for use in the State, and the States of Arizona, California, and Nevada shall be given equal opportunity as such applicants.

The rights covered by such preference shall be contracted for by such State within six months after notice by the Secretary of the Interior and to be paid for on the same terms and conditions as may be provided in other similar contracts made by said Secretary: Provided, however, That no application of a State or a political subdivision for an

1 allocation of *water for power purposes or of* electrical energy
2 shall be denied or another application in conflict therewith
3 be granted on the ground that the bond issue of such *State*
4 *or political subdivision*, necessary to enable the applicant
5 to utilize *such water and appurtenant works and privileges*
6 *necessary for the generation and distribution of hydroelectric*
7 *energy or the electrical energy* applied for, has not been
8 authorized or marketed, until after a reasonable time, to
9 be determined by the said Secretary, has been given to such
10 applicant to have such bond issue authorized and marketed.

11 (d) Any agency receiving a contract for electrical
12 energy equivalent to one hundred thousand firm horsepower,
13 or more, may, when deemed feasible by the said Secretary,
14 from engineering and economic considerations and under
15 general regulations prescribed by him, be required to permit
16 other similar agency having contracts hereunder for less
17 than the equivalent of twenty-five thousand firm horse-
18 power, upon application to the *Secretary of the Interior made*
19 *within sixty days from the execution of the contract of the*
20 *agency the use of whose transmission line is applied for,*
21 to participate in the benefits and use of any main trans-
22 mission line constructed *or to be constructed* by the former
23 for carrying such energy (not exceeding, however, one-
24 fourth the capacity of such line), upon payment by such
25 other agencies of a reasonable share of the cost of con-
26 struction, operation, and maintenance thereof.

1 The use is hereby authorized of such public and reserved
 2 lands of the United States as ~~the said Secretary shall deter-~~
 3 ~~mine to~~ may be necessary or convenient for the construction,
 4 operation, and maintenance of main transmission lines to
 5 transmit said electrical energy.

6 SEC. 6. That the dam and reservoir provided for by
 7 section 1 hereof shall be used: First, for river regulation,
 8 *improvement of navigation*, and flood control; second, for
 9 irrigation and domestic uses and satisfaction of present per-
 10 fected rights in pursuance of Article VIII of said Colorado
 11 River compact; and third, for power. The title to said dam,
 12 reservoir, plant, and incidental works shall forever remain
 13 in the United States, and the United States shall ~~always,~~
 14 *until otherwise provided by Congress*, control, manage, and
 15 operate the same, *except as herein otherwise provided: Pro-*
 16 *vided, however,* That the Secretary of the Interior may, in his
 17 discretion, enter into contracts of lease of a unit or units of
 18 ~~said plant~~ *any Government-built plant*, with right to generate
 19 electrical energy, or, alternatively, to enter into contracts
 20 of lease for the use of water for the generation of electrical
 21 energy *as herein provided*, in either of which events the
 22 provisions of section 5 of this Act relating to revenue, term,
 23 renewals, determination of conflicting applications, and joint
 24 use of transmission lines under contracts for the sale of elec-
 25 trical energy, shall apply.

1 The Secretary of the Interior shall prescribe and enforce
 2 rules and regulations conforming with the requirements of
 3 the Federal Water Power Act, so far as applicable, respect-
 4 ing maintenance of works in condition of repair adequate for
 5 their efficient operation, maintenance of a system of account-
 6 ing, control of rates and service in the absence of State
 7 regulation or interstate agreement, valuation for rate-making
 8 purposes, transfers of contracts, contracts extending beyond
 9 the lease period, expropriation of excessive profits, emer-
 10 gency use by the United States of property of lessees, and
 11 penalties for enforcing regulations made under this Act or
 12 penalizing failure to comply with such regulations or with
 13 the provisions of this Act. *He shall also conform with other*
 14 *provisions of the Federal Water Power Act and of the rules*
 15 *and regulations of the Federal Power Commission, which*
 16 *have been devised or which may be hereafter devised, for the*
 17 *protection of the investor and consumer.*

* Suspend

18 SEC. 7. That the Secretary of the Interior may, in his
 19 discretion, when repayments to the United States of all
 20 money advanced, with interest, *reimbursable hereunder*, shall
 21 have been made, transfer the title to said canal and appur-
 22 tenant structures to the districts or other agencies of the
 23 United States having a beneficial interest therein in propor-
 24 tion to their respective capital investments under such form
 25 of organization as may be acceptable to him. The said dis-

1 tricts or other agencies shall have the privilege at any time
2 of utilizing by contract or otherwise such power possibilities
3 as may exist upon said canal, in proportion to their respective
4 contributions or obligations toward the capital cost of said
5 canal and appurtenant structures from and including the
6 diversion works to the point where each respective power
7 plant may be located. The net proceeds from any power
8 development on said canal shall be paid into the fund and
9 credited to said districts or other agencies on their said con-
10 tracts, in proportion to their rights to develop power, until
11 the districts or other agencies using said canal shall have paid
12 thereby and under any contract or otherwise an amount of
13 money equivalent to the operation and maintenance expense
14 and cost of construction thereof.

15 SEC. 8. ~~(a)~~ All appropriations of water from the Colo-
16 rado River, incident to or resulting from the construction,
17 use, and operation of the works herein authorized, shall be
18 made and perfected in and in conformity with the laws
19 of those States which may or shall have approved the
20 Colorado River compact ratified in section 12 of this Act.
21 ~~(b)~~ (a) The United States, its permittees, licensees, and
22 contractees, and all users and appropriators of water stored,
23 diverted, carried, and/or distributed by the reservoir, canals,
24 and other works herein authorized, shall observe and be sub-
25 ject to and controlled by said Colorado River compact in the

1 construction, management, and operation of said reservoir,
2 canals, and other works and the storage, diversion, delivery,
3 and use of water for the generation of power, irrigation, and
4 other purposes, anything in this Act to the contrary notwith-
5 standing, and all permits, licenses, and contracts shall so
6 provide.

7 ~~(e)~~ (b) Also the United States, in constructing, manag-
8 ing, and operating the dam, reservoir, canals, and other
9 works herein authorized, including the appropriation,
10 delivery, and use of water for the generation of power,
11 irrigation, or other uses, and all users of water thus deliv-
12 ered and all users and appropriators of waters stored by
13 said reservoir and/or carried by said canal, including all
14 permittees and licensees of the United States or any of its
15 agencies, shall observe and be subject to and controlled, any-
16 thing to the contrary herein notwithstanding, by the terms
17 of such compact, if any, between the States of Arizona,
18 California, and Nevada, *or any two thereof*, for the equitable
19 division of the benefits, including power, arising from the use
20 of water accruing to said States, subsidiary to and consistent
21 with said Colorado River compact, which may be negotiated
22 and approved by said States and to which Congress shall give
23 its consent and approval on or before *June 1, 1928 January*
24 *1, 1929*; and the terms of any such compact concluded
25 between said States and approved and consented to by

1 Congress after said date: *Provided*, That in the latter case
2 such compact shall be subject to all contracts, if any, made
3 by the Secretary of the Interior under section 5 hereof prior
4 to the date of such approval and consent by Congress:
5 "*Provided further*, That in the event no such compact is
6 entered into between the States of Arizona, California, and
7 Nevada, prior to June 1, 1928, then there shall be reserved
8 for acquisition by the States of Arizona and Nevada, their
9 respective agents, licensees, or assignees, at the switchboard,
10 at the plant or plants operated through the use of water
11 impounded by said dam for each, electrical energy equivalent
12 to 15 per centum of the total electrical energy made avail-
13 able by the use of such impounded water, to be contracted
14 for by said respective States, or their agents, licensees, or
15 assignees, within six months after notice by the Secretary
16 of the Interior, and to be paid for as and when said electrical
17 energy is ready for delivery. If said plant or plants are
18 operated by the Government, then said electrical energy
19 shall be delivered on the terms and charges provided in the
20 general regulations for delivery of electrical energy at the
21 switchboard to municipal corporations and political subdi-
22 visions. If, however, said plant or plants are operated by
23 the licensee or licensees of the Government, then said elec-
24 trical energy shall be delivered at the switchboard by said
25 licensee or licensees upon terms and charges equivalent to

1 those that would have been fixed by the Government had
2 the Government delivered such energy, and said equivalent
3 terms and charges to be made by said licensee or licensees
4 shall be established and fixed by the Government.

5 ~~(d)~~ (c) Nothing in this Act shall be deemed to waive
6 or change any of the rights or powers reserved or granted
7 to the United States by paragraph 7 of section 20 of the
8 Act providing for the admission of Arizona, approved June
9 20, 1910, and by the tenth paragraph of Article XX of the
10 constitution of Arizona, but the Secretary of the Interior is
11 authorized on behalf of the United States to exercise such
12 of said rights and powers as may be necessary or convenient
13 for the construction and use of the works herein authorized
14 and for carrying out the purposes of this Act.

15 SEC. 9. That all lands of the United States found by
16 the Secretary of the Interior to be practicable of irrigation
17 and reclamation by the irrigation works authorized herein
18 shall be withdrawn from public entry. Thereafter, at the
19 direction of the Secretary of the Interior, such lands shall be
20 opened for entry, in tracts varying in size but not exceeding
21 one hundred and sixty acres, as may be determined by the
22 Secretary of the Interior, in accordance with the provisions
23 of the reclamation law, and any such entryman shall pay an
24 equitable share in accordance with the benefits received, as
25 determined by the said Secretary, of the construction cost of

1 said canal and appurtenant structures; said payments to be
2 made in such installments and at such times as may be speci-
3 fied by the Secretary of the Interior, in accordance with the
4 provisions of the said reclamation law, and shall constitute
5 revenue from said project and be covered into the fund herein
6 provided for: *Provided*, That all persons who have served
7 in the United States Army, Navy, or Marine Corps during
8 the war with Germany, the war with Spain, or in the sup-
9 pression of the insurrection in the Philippines, and who have
10 been honorably separated or discharged therefrom or placed
11 in the Regular Army or Navy Reserve, shall have the exclu-
12 sive preference right for a period of three months to enter
13 said lands, subject, however, to the provisions of subsection
14 (c) of section 4, Act of December 5, 1924 (Forty-third
15 Statutes at Large, page 702) ; and also, so far as practicable,
16 preference shall be given to said persons in all construction
17 work authorized by this Act: *Provided further*, That in the
18 event such an entry shall be relinquished at any time prior
19 to actual residence upon the land by the entryman for not
20 less than one year, lands so relinquished shall not be subject
21 to entry for a period of sixty days after the filing and nota-
22 tion of the relinquishment in the local land office, and after
23 the expiration of said sixty-day period such lands shall be
24 open to entry, subject to the preference in this section pro-
25 vided.

1 SEC. 10. That nothing in this Act shall be construed
2 as modifying in any manner the existing contract, dated
3 October 23, 1918, between the United States and the Im-
4 perial Irrigation District, providing for a connection with
5 Laguna Dam; but the Secretary of the Interior is authorized
6 to modify the said contract, with the consent of the said
7 district, and also to enter into contract or contracts with the
8 said district or other districts, persons, or agencies for the
9 construction, in accordance with this Act, of said canal and
10 apurtenant structures, and also for the operation and
11 maintenance thereof, with the consent of the other users.

12 SEC. 11. "Political subdivision" or "political sub-
13 divisions" as used in this Act shall be understood to include
14 any State, irrigation, or other district, municipality, or other
15 governmental organization.

16 "Reclamation law" as used in this Act shall be
17 understood to mean that certain Act of the Congress of the
18 United States approved June 17, 1902, entitled "An Act
19 appropriating the receipts from the sale and disposal of
20 public land in certain States and Territories to the construc-
21 tion of irrigation works for the reclamation of arid lands,"
22 and the Acts amendatory thereof and supplemental thereto.

23 "Maintenance" as used herein shall be deemed to in-
24 clude in each instance provision for keeping the works in
25 good operating condition.

1 "The Federal Water Power Act," as used in this Act,
2 shall be understood to mean that certain Act of Congress of
3 the United States approved June 10, 1920, entitled "An Act
4 to create a Federal Power Commission; to provide for the
5 improvement of navigation; the development of water power;
6 the use of the public lands in relation thereto; and to repeal
7 section 18 of the River and Harbor Appropriation Act,
8 approved August 8, 1917, and for other purposes," and the
9 Acts amendatory thereof and supplemental thereto.

10 "Domestic" whenever employed in this Act shall include
11 water uses defined as "domestic" in said Colorado River
12 compact.

13 SEC. 12. (a) The Colorado River compact signed at
14 Santa Fe, New Mexico, November 24, 1922, pursuant to
15 Act of Congress approved August 19, 1921, entitled "An
16 Act to permit a compact or agreement between the States
17 of Arizona, California, Colorado, Nevada, New Mexico,
18 Utah, and Wyoming respecting the disposition and appor-
19 tionment of the waters of the Colorado River, and for other
20 purposes," is hereby approved by the Congress of the United
21 States, and the provisions of the first paragraph of article 11
22 of the said Colorado River compact, making said compact
23 binding and obligatory when it shall have been approved
24 by the legislature of each of the signatory States, are hereby
25 waived, and this approval shall become effective when the

1 State of California and at least three *five* of the other States
2 mentioned, shall have approved or may hereafter approve
3 said compact as aforesaid and shall consent to such waiver,
4 *as herein provided.*

5 (b) The rights of the United States in or to waters
6 of the Colorado River and its tributaries howsoever claimed
7 or acquired, as well as the rights of those claiming under
8 the United States, shall be subject to and controlled by said
9 Colorado River compact.

10 (c) Also all patents, grants, contracts, concessions,
11 leases, permits, licenses, rights of way, or other privileges
12 from the United States or under its authority, necessary or
13 convenient for the use of waters of the Colorado River or
14 its tributaries, or for the generation or transmission of elec-
15 trical energy generated by means of the waters of said
16 river or its tributaries, whether under this Act, the Federal
17 Water Power Act, or otherwise, shall be upon the express
18 condition and with the express covenant that the rights of
19 the recipients or holders thereof to waters of the river or
20 its tributaries, for the use of which the same are necessary,
21 convenient, or incidental, and the use of the same shall
22 likewise be subject to and controlled by said Colorado River
23 compact.

24 (d) The conditions and covenants referred to herein
25 shall be deemed to run with the land and the right, interest,

1 or privilege therein and water right, and shall attach as a
2 matter of law, whether set out or referred to in the instru-
3 ment evidencing any such patent, grant, contract, concession,
4 lease, permit, license, right of way, or other privilege from
5 the United States or under its authority, or not, and shall
6 be deemed to be for the benefit of and be available to the
7 States of Arizona, California, Colorado, Nevada, New
8 Mexico, Utah, and Wyoming, and the users of water therein
9 or thereunder, by way of suit, defense, or otherwise, in
10 any litigation respecting the waters of the Colorado River
11 or its tributaries.

12 SEC. 13. This Act shall be deemed a supplement to the
13 reclamation law, which said reclamation law shall govern
14 the construction, operation, and management of the works
15 herein authorized, except as otherwise herein provided.

16 SEC. 14. The Secretary of the Interior is authorized and
17 directed to make investigation and public reports of the feasi-
18 bility of projects for irrigation, generation of electric power,
19 and other purposes in the States of Arizona, Nevada, Col-
20 orado, New Mexico, Utah, and Wyoming for the purpose
21 of making such information available to said States and to
22 the Congress, and of formulating a comprehensive scheme of
23 headwater control and the improvement and utilization of the
24 water of the Colorado River and its tributaries. The sum
25 of \$250,000 is hereby authorized to be appropriated from

1 said Colorado River Dam fund, created by section 2 of this
2 Act, for such purposes.

3 SEC. 15. Nothing in this Act shall be construed as a
4 denial or recognition of any existing rights, if any, in Mex-
5 ico to the use of the waters of the Colorado River system,
6 and this Act shall be without prejudice to the negotiation of a
7 treaty with Mexico affecting such rights.

8 SEC. 16. That the short title of this Act shall be
9 "Boulder Canyon Project Act."

70TH CONGRESS }
1ST SESSION } **S. 728**

[Report No. 592]

A BILL

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

By Mr. JOHNSON

DECEMBER 6 (calendar day, DECEMBER 9), 1927
Read twice and referred to the Committee on
Irrigation and Reclamation

MARCH 20, 1928

Reported with amendments

70TH CONGRESS
1ST SESSION

S. 728

IN THE SENATE OF THE UNITED STATES

MARCH 27, 1928

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WATERMAN to the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes, viz:

- 1 On page 7, line 9, strike out the words "That no",
- 2 together with the following lines numbered 10, 11, and
- 3 ending with the words in line 12, to wit "in said State",
- 4 and insert in lieu thereof: "That no such contracts nor
- 5 any contract whatever, of any kind, shall be made under
- 6 any provision of this Act until and unless the State of
- 7 California, by a valid and binding act of its legislature,
- 8 approved by its governor, shall have first ratified and

1 approved all the provisions of this section of this Act, in
2 any way relating to the use of the waters of the main
3 stream of the Colorado River within or by the State of
4 California, or by any person or corporation of said State,
5 and shall also in and by such act of its legislature, solemnly
6 declare and agree, as an express covenant and in express
7 consideration of the passage of this Act, that any and all
8 water demanded and required, or lawfully appropriated and
9 applied to a beneficial use by the State of Arizona or any
10 of its inhabitants, including corporations, municipal or other-
11 wise, or any of them, out of the main stream of the Colorado
12 River at any time in excess of two million nine hundred
13 thousand acre-feet, per annum, plus one-half of the said
14 unallocated excess and/or surplus water, will be furnished
15 and supplied by the said State of California exclusively out
16 of the said four million six hundred thousand acre-feet of
17 water and said one-half of the said unallocated water last
18 aforesaid, so that in no event shall there ever be demanded
19 or required, out of the main stream of the Colorado River,
20 by the States of Arizona, California, and Nevada, or either
21 of them, any water in excess of the amount apportioned to
22 them by Article III of the Colorado River compact, to be
23 delivered to them, or any of them, at Lee Ferry designated
24 in said Colorado River compact or elsewhere."

70TH CONGRESS }
1ST Session } S. 728

AMENDMENT

Intended to be proposed by Mr. WATERMAN to the bill (S. 728) to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

MARCH 27, 1928

Ordered to lie on the table and to be printed

Amendments to an Act entitled "An Act to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River Compact and for other purposes" as reported by the Senate Committee on Irrigation.

Proposed by the Governors of the States of the Upper Basin of the Colorado River, November 22, 1928.

On page 5, strike out all of lines 1 to 18, inclusive, and insert in lieu thereof the following:

SEC. 4 (a). This Act shall not take effect and no authority shall be exercised hereunder and no work shall be begun and no moneys expended on or in connection with the works or structures provided for in this act, and no water rights shall be claimed or initiated hereunder, and no steps shall be taken by the United States or by others to initiate or perfect any claims to the use of water pertinent to such works or structures unless and until (1) the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming shall have ratified the Colorado River Compact, mentioned in section 12 hereof, and the President by public proclamation shall have so declared, or (2) if said States fail to ratify the said compact within one year from the date of the passage of this Act, then, until six of said States, including the State of California, shall ratify said compact and shall consent to waive the provisions of the first paragraph of Article XI of said compact, which makes the same binding and obligatory only when approved by each of the seven states signatory thereto, and shall have approved said compact without conditions, save that of such six State approval, and the President by public proclamation shall have so declared, and, further, until the State of California, by Act of its legislature, shall agree with the United States and for the benefit of the

States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming, as an express covenant and in consideration of the passage of this Act, that the aggregate annual diversions of water of and from the Colorado River for use in the State of California, including all diversions under contracts made under the provisions of this Act and all water necessary for the supply of any rights which may now exist, shall not exceed four million six hundred thousand acre-feet of the waters apportioned to the Lower Basin States by the Colorado River Compact, plus not more than one-half of any excess or surplus waters unapportioned by said compact, such diversions always to be subject to the terms of said compact."

On page 7, strike out lines 4 to 12, inclusive, and insert in lieu thereof the following: "permanent service and shall conform to paragraph (a) of section 4 of this Act. No person shall".

On page 12, after line 17, add the following paragraph to Section 6:

"The Federal Power Commission is hereby directed not to issue or approve any permits or licenses under said Federal water power act upon or affecting the Colorado River or any of its tributaries, in the States of Colorado, Wyoming, Utah, New Mexico, Nevada, Arizona, and California until this act shall become effective as provided in Section 4 herein."

Amendments to an Act entitled "An Act to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River Compact and for other purposes" as reported by the Senate Committee on Irrigation.

Proposed by the Governors of the States of the Upper Basin of the Colorado River, November 22, 1928.

On page 5, strike out all of lines 1 to 18, inclusive, and insert in lieu thereof the following:

SEC. 4 (a). This Act shall not take effect and no authority shall be exercised hereunder and no work shall be begun and no moneys expended on or in connection with the works or structures provided for in this Act, and no water rights shall be claimed or initiated hereunder, and no steps shall be taken by the United States or by others to initiate or perfect any claims to the use of water pertinent to such works or structures unless and until (1) the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming shall have ratified the Colorado River Compact, mentioned in section 12 hereof, and the President by public proclamation shall have so declared, or (2) if said States fail to ratify the said compact within one year from the date of the passage of this Act, then, until six of said States, including the State of California, shall ratify said compact and shall consent to waive the provisions of the first paragraph of Article XI of said compact, which makes the same binding and obligatory only when approved by each of the seven states signatory thereto, and shall have approved said compact without conditions, save that of such six State approval, and the President by public proclamation shall have so declared, and, further, until the State of California, by Act of its legislature, shall agree with the United States and for the benefit of the

States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming, as an express covenant and in consideration of the passage of this Act, that the aggregate annual diversions of water of and from the Colorado River for use in the State of California, including all diversions under contracts made under the provisions of this Act and all water necessary for the supply of any rights which may now exist, shall not exceed four million six hundred thousand acre-feet of the waters apportioned to the Lower Basin States by the Colorado River Compact, plus not more than one-half of any excess or surplus waters unapportioned by said compact, such diversions always to be subject to the terms of said compact."

On page 7, strike out lines 4 to 12, inclusive, and insert in lieu thereof the following: "permanent service and shall conform to paragraph (a) of section 4 of this Act. No person shall".

On page 12, after line 17, add the following paragraph to Section 6:

"The Federal Power Commission is hereby directed not to issue or approve any permits or licenses under said Federal water power act upon or affecting the Colorado River or any of its tributaries, in the States of Colorado, Wyoming, Utah, New Mexico, Nevada, Arizona, and California until this act shall become effective as provided in Section 4 herein."

~~Form A~~

To the Senators and Congressmen
of the States of Colorado, Utah,
Wyoming and New Mexico:

We have had under consideration and advisement the provisions of Senate Bill 728, as it is now pending before the Senate, and are convinced that it should be amended in certain particulars for the protection of the Upper Basin States, and to avoid confusion between the Colorado River States.

To this end we have prepared a draft of amendments affording such protection, and attach a copy thereof, designated as Form A. It will be observed that the amendments set out in Form A are substantially those presented by Senator Phipps of Colorado, and by Senator Bratton of New Mexico, in harmony with the intention of Committee amendment to Section 5 of the Bill, to which we have added an amendment suspending the powers of the Federal Power Commission over the Colorado River and its tributaries until the Act should become effective.

The amendments contained in Form A, should be adopted as part of the measure unless the States of Arizona, Nevada and California so compose their differences as to make possible the inclusion of an amendment providing for full seven state ratification.

In the event of the acceptance of something similar to the amendment in Form B, by those states, in time to have it included in the Bill, we should be glad to see the agreement substituted for Form A, for the reason that it would result in a Seven State Ratification of the Compact, and settlement of the differences between California and Arizona.

Respectfully submitted,

Governor of Wyoming

Governor of Colorado.

Governor of New Mexico

Governor of Utah

We have had under consideration and advisement the provisions of Senate Bill 728, as it is now pending before the Senate, and are convinced that before giving support to that measure it should be amended in certain particulars for the protection of the Upper Basin States, and to avoid confusion between the States of the Lower Basin and those of the Upper Basin.

To this end we have prepared a draft of amendments affording such protection, and attach a copy thereof, designated as Form A. It will be observed that the amendments set out in Form A are substantially those presented by Senator Phipps of Colorado, and by Senator Bratton of New Mexico, in harmony with the intention of Committee amendment to Section 5 of the Bill, together with an additional amendment sustaining the powers of the Federal Power Commission over the Colorado River and its tributaries until the Act should become effective.

We deem it imperative that these suggested amendments contained in Form A, should be adopted as part of the measure unless the States of Arizona and California so compose their differences as to make possible the inclusion of an amendment providing for full seven state ratification, and allocating of waters between the three Lower States along the line of the amendment prepared and considered by representatives of Arizona and California last May, a copy of which is hereto attached, as Form B.

At the opening of the Session, we respectfully urge that you endeavor to obtain the consent of Senator Johnson and the supporters of his Bill to the immediate inclusion of the amendments contained in Form A, but in the event of the acceptance of the amendment of Form B, by California, Arizona, and Nevada, in time to have it included in the Bill substantially as set out therein, we should be glad to see Form B substituted for Form A, for the reason that all our efforts primarily have been to bring about a Seven State Ratification of the Compact, and settlement of the differences between California and Arizona.

We have had under consideration and advisement the provisions of Senate Bill 728, as it is now pending before the Senate, and are convinced that ~~before giving support to that measure~~ it should be amended in certain particulars for the protection of the Upper Basin States, and to avoid confusion between the States of the Lower Basin and those of the Upper Basin.

To this end we have prepared a draft of amendments affording such protection, and attach a copy thereof, designated as Form A. It will be observed that the amendments set out in Form A are substantially those presented by Senator Phipps of Colorado, and by Senator Bratton of New Mexico, in harmony with the intention of Committee amendment to Section 5 of the Bill, ~~to which we have added an amendment~~ *to which we have added an amendment* ~~together with an additional amendment suspending~~ *suspending* the powers of the Federal Power Commission over the Colorado River and its tributaries until the Act should become effective.

~~We deem it imperative that these~~ *The* suggested amendments contained in Form A, should be adopted as part of the measure unless the States of Arizona and California so compose their differences as to make possible the inclusion of an amendment providing for full seven state ratification, ~~and allocating~~ *the allocation* of waters between the three Lower States along the line of the amendment ~~prepared and considered~~ *under consideration but not agreed upon* by representatives of Arizona and California last May, a copy of which is hereto attached, as Form B.

At the opening of the Session, we respectfully urge that you endeavor to obtain the consent of Senator Johnson and ~~the supporters of~~ *something similar to* his Bill to the immediate inclusion of the amendments contained in Form A, but in the event of the acceptance of ~~the amendment of~~ *the amendment* Form B, by California, Arizona, and Nevada, in time to have it included in the Bill ~~substantially as set out therein~~, we should be glad to see ~~Form B~~ *the agreement* substituted for Form A, for the reason that ~~all our efforts primarily have~~ *it would result in* been to bring about a Seven State Ratification of the Compact, and settlement of the differences between California and Arizona.

*With either Form A, or ~~Form B~~ *something similar to Form B* included in the Bill we favor the passage of the Bill -*

(3)

To the Senators and Congressmen
of the States of Colorado, Utah, Wyoming
and New Mexico

We have had under consideration and advisement the provisions of Senate Bill 728, as it is now pending before the Senate, and are convinced that it should be amended in certain particulars for the protection of the Upper Basin States, and to avoid confusion between the States of the ^{Colorado River} ~~Lower Basin and those of the Upper Basin.~~

To this end we have prepared a draft of amendments affording such protection, and attach a copy thereof, designated as Form A. It will be observed that the amendments set out in Form A are substantially those presented by Senator Phipps of Colorado, and by Senator Bratton of New Mexico, in harmony with the intention of Committee amendment to Section 5 of the Bill, to which we have added an amendment suspending the powers of the Federal Power Commission over the Colorado River and its tributaries until the Act should become effective.

The amendments contained in Form A, should be adopted as part of the measure unless the States of Arizona ^{Nevada} and California so compose their differences as to make possible the inclusion of an amendment providing for full seven state ratification, ~~and the allocation of waters between the three Lower States along the line of the amendment under consideration but not agreed upon by representatives of Arizona and California last May, a copy of which is hereto attached, as Form B.~~

~~At the opening of the Session, we respectfully urge that you endeavor to obtain the consent of Senator Johnson to the immediate inclusion of the amendments contained in Form A, but in the event of the acceptance of something similar to the amendment in Form B, by ^{those states} California, Arizona, and Nevada, in time to have it included in the Bill, we should be glad to see the agreement substituted for Form A, for the reason that it would result in a Seven State Ratification of the Compact, and settlement of the differences between California and Arizona.~~

With either Form A, or something similar to Form B included in the Bill, we favor the passage of the Bill.

Respectfully submitted,

Governor of Wyoming

Governor of Colorado

Governor of Utah

Governor of New Mexico

We have had under consideration and advisement the provisions of Senate Bill 728, as it is now pending before the Senate, and are convinced that it should be amended in certain particulars for the protection of the Upper Basin States, and to avoid confusion between the States of the Lower Basin and those of the Upper Basin.

To this end we have prepared a draft of amendments affording such protection, and attach a copy thereof, designated as Form A. It will be observed that the amendments set out in Form A are substantially those presented by Senator Phipps of Colorado, and by Senator Bratton of New Mexico, in harmony with the intention of Committee amendment to Section 5 of the Bill, to which we have added an amendment suspending the powers of the Federal Power Commission over the Colorado River and its tributaries until the Act should become effective.

The amendments contained in Form A, should be adopted as part of the measure unless the States of Arizona and California so compose their differences as to make possible the inclusion of an amendment providing for full seven state ratification, and the allocation of waters between the three Lower States along the line of the amendment under consideration but not agreed upon by representatives of Arizona and California last May, a copy of which is hereto attached, as Form B.

At the opening of the Session, we respectfully urge that you endeavor to obtain the consent of Senator Johnson to the immediate inclusion of the amendments contained in Form A, but in the event of the acceptance of something similar to the amendment in Form B, by California, Arizona, and Nevada, in time to have it included in the Bill, we should be glad to see the agreement substituted for Form A, for the reason that it would result in a Seven State Ratification of the Compact, and settlement of the differences between California and Arizona.

With either Form A, or something similar to Form B included in the Bill, we favor the passage of the Bill.

We have had under consideration and advisement the provisions of Senate Bill 728, as it is now pending before the Senate, and are convinced that it should be amended in certain particulars for the protection of the Upper Basin States, and to avoid confusion between the States of the Lower Basin and those of the Upper Basin.

To this end we have prepared a draft of amendments affording such protection, and attach a copy thereof, designated as Form A. It will be observed that the amendments set out in Form A are substantially those presented by Senator Phipps of Colorado, and by Senator Bratton of New Mexico, in harmony with the intention of Committee amendment to Section 5 of the Bill, to which we have added an amendment suspending the powers of the Federal Power Commission over the Colorado River and its tributaries until the Act should become effective.

The amendments contained in Form A, should be adopted as part of the measure unless the States of Arizona and California so compose their differences as to make possible the inclusion of an amendment providing for full seven state ratification, and the allocation of waters between the three Lower States along the line of the amendment under consideration but not agreed upon by representatives of Arizona and California last May, a copy of which is hereto attached, as Form B.

At the opening of the Session, we respectfully urge that you endeavor to obtain the consent of Senator Johnson to the immediate inclusion of the amendments contained in Form A, but in the event of the acceptance of something similar to the amendment in Form B, by California, Arizona, and Nevada, in time to have it included in the Bill, we should be glad to see the agreement substituted for Form A, for the reason that it would result in a Seven State Ratification of the Compact, and settlement of the differences between California and Arizona.

With either Form A, or something similar to Form B included in the Bill, we favor the passage of the Bill.

PROPOSED AMENDMENT TO S. 728

Sec. 4 (a) This act shall not take effect and no authority shall be exercised hereunder, unless and until the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming shall have ratified the Colorado River Compact mentioned in Section 12 hereof, and the President, by public proclamation, shall have so declared, provided, that the ratification act of the State of California shall contain a provision agreeing that the aggregate annual consumptive use by that State of waters of the Colorado River shall never exceed four million two hundred thousand acre feet of the water apportioned to the Lower Basin by paragraph (a), of Article III of said Compact, and that the aggregate beneficial consumptive use by that State of waters of the Colorado River shall never exceed five hundred thousand acre feet of the water apportioned by the Compact to the Lower Basin by paragraph (b) of said Article III; and that the use by California of the excess or surplus waters unapportioned by the Colorado River Compact shall never exceed annually one-half of such excess or surplus waters; and that the limitations so accepted by California shall be irrevocable and unconditional, unless modified by the agreement described in the following paragraph, nor shall said limitations apply to water diverted by or for the benefit of the Yuma Reclamation project for domestic, agricultural or power purposes except to the portion thereof consumptively used in California for domestic and agricultural purposes.

The said ratifying act shall further provide that if by tri-State agreement hereinafter entered into by the States of California,

Nevada and Arizona the foregoing limitations are accepted and approved as fixing the apportionment of water to California, then California shall and will therein agree (1), that of the 7,500,000 acre feet annually apportioned to the Lower Basin by paragraph (a) of Article III of the Colorado River Compact, there shall be apportioned to the States of Nevada 300,000 acre feet and to the State of Arizona 3,000,000 acre feet for exclusive beneficial consumptive use in perpetuity, and, (2), of the 1,000,000 acre feet in addition which the Lower Basin has the right to use annually by paragraph (b) of said Article, there shall be apportioned to the State of Arizona 500,000 acre feet for beneficial consumptive use and, (3), that the State of Arizona may annually use one-half of the excess or surplus waters unapportioned by the Colorado River Compact and, (4), that the State of Arizona shall have the exclusive beneficial consumptive use of the Gila River and its tributaries within the boundaries of said State and, (5), that the waters of the Gila River and its tributaries shall never be subject to any diminution whatever by any allowance of water which may be made by treaty or otherwise to the United States of Mexico but if, as provided in paragraph (c) of Article III of the Colorado River Compact, it shall become necessary to supply water to the United States or Mexico from waters apportioned by said Compact, then the State of California shall and will mutually agree with the State of Arizona to supply one-half of any deficiency which must be supplied to Mexico by the Lower Basin and, (6), that the State of

California shall and will further mutually agree with the States of Arizona and Nevada that none of said three States shall withhold water and none shall require the delivery of water, which cannot reasonably be applied to domestic and agricultural uses.

This form to be considered, only in the event California and Arizona compose their differences, and desire to incorporate their agreement in the legislation. Form A. is not to be substituted by this form in any other circumstance

F O R M B

PROPOSED AMENDMENT TO S. 728

Sec. 4 (a) This act shall not take effect and no authority shall be exercised hereunder, unless and until the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming shall have ratified the Colorado River Compact mentioned in Section 12 hereof, and the President, by public proclamation, shall have so declared, provided, that the ratification act of the State of California shall contain a provision agreeing that the aggregate annual consumptive use by that State of waters of the Colorado River shall never exceed four million two hundred thousand acre feet of the water apportioned to the Lower Basin by paragraph (a), of Article III of said Compact, and that the aggregate beneficial consumptive use by that State of waters of the Colorado River shall never exceed five hundred thousand acre feet of the water apportioned by the Compact to the Lower Basin by paragraph (b) of said Article III; and that the use by California of the excess or surplus waters unapportioned by the Colorado River Compact shall never exceed annually one-half of such excess or surplus waters; and that the limitations so accepted by California shall be irrevocable and unconditional, unless modified by the agreement described in the following paragraph, nor shall said limitations apply to water diverted by or for the benefit of the Yuma Reclamation project for domestic, agricultural or power purposes except to the portion thereof consumptively used in California for domestic and agricultural purposes.

The said ratifying act shall further provide that if by tri-State agreement hereinafter entered into by the States of

California, Nevada and Arizona the foregoing limitations are accepted and approved as fixing the apportionment of water to California, then California shall and will therein agree (1), that of the 7,500,000 acre feet annually apportioned to the Lower Basin by paragraph (a) of Article III of the Colorado River Compact, there shall be apportioned to the States of Nevada 300,000 acre feet and to the State of Arizona 3,000,000 acre feet for exclusive beneficial consumptive use in perpetuity, and, (2), of the 1,000,000 acre feet in addition which the Lower Basin has the right to use annually by paragraph (b) of said Article, there shall be apportioned to the State of Arizona 500,000 acre feet for beneficial consumptive use and, (3), that the State of Arizona may annually use one-half of the excess or surplus waters unapportioned by the Colorado River Compact and, (4), that the State of Arizona shall have the exclusive beneficial consumptive use of the Gila River and its tributaries within the boundaries of said State and, (5), that the waters of the Gila River and its tributaries shall never be subject to any diminution whatever by any allowance of water which may be made by treaty or otherwise to the United States of Mexico but if, as provided in paragraph (c) of Article III of the Colorado River Compact, it shall become necessary to supply water to the United States of Mexico from waters apportioned by said Compact, then the State of California shall and will mutually agree with the State of Arizona to supply one-half of any deficiency which must be supplied to Mexico by the Lower Basin and, (6), that the State of California shall and will further mutually agree with the States

of Arizona and Nevada that none of said three states shall withhold water and none shall require the delivery of water, which cannot reasonably be applied to domestic and agricultural uses, and (7) that the terms of any such tri-state agreement shall be subject and subsidiary to the terms of the Colorado River Compact.

(Here add embargo clause on Federal Power Commission, the same as in Form A.).

FORM A

70TH CONGRESS
2ND SESSION

S. 728

Amendments to an Act entitled "An Act to provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River Compact and for other purposes" as reported by the Senate Committee on Irrigation.

Proposed by the Governors of the States of the Upper Basin of the Colorado River, November 22, 1928.

On page 5, strike out all of lines 1 to 18, inclusive, and insert in lieu thereof the following:

"SEC. 4 (a). This Act shall not take effect and no authority shall be exercised hereunder and no work shall be begun and no moneys expended on or in connection with the works or structures provided for in this Act, and no water rights shall be claimed or initiated hereunder, and no steps shall be taken by the United States or by others to initiate or perfect any claims to the use of water pertinent to such works or structures unless and until (1) the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming shall have ratified the Colorado River Compact, mentioned in section 32 hereof, and the President by public proclamation shall have so declared, or (2) if said States fail to ratify the said compact within one year from the date of the passage of this Act, then, until six of said States, including the State of California, shall ratify said compact and shall consent to waive the provisions of the first paragraph of Article XI of said compact, which makes the same binding and obligatory only when approved by each of the

seven states signatory thereto, and shall have approved said compact without conditions, save that of such six State approval, and the President by public proclamation shall have so declared, and, further, until the State of California, by Act of its legislature, shall agree with the United States and for the benefit of the States of Arizona, Colorado, Nevada, New Mexico, Utah, and Wyoming, as an express covenant and in consideration of the passage of this Act, that the aggregate annual diversions of water of and from the Colorado River for use in the State of California, including all diversions under contracts made under the provisions of this Act and all water necessary for the supply of any rights which may now exist, shall not exceed four million six hundred thousand acre-feet of the waters apportioned to the Lower Basin States by the Colorado River Compact, plus not more than one-half of any excess or surplus waters unapportioned by said compact, such diversions always to be subject to the terms of said compact".

On page 7, strike out lines 4 to 12, inclusive, and insert in lieu thereof the following: "permanent service and shall conform to paragraph (a) of section 4 of this Act. No person shall".

On page 12, after line 17, add the following paragraph to section 6:

"The Federal Power Commission is hereby directed not to issue or approve any permits or licenses under said Federal water power act upon or affecting the Colorado River or any of its tributaries, in the States of Colorado, Wyoming, Utah, New Mexico, Nevada, Arizona, and California until this act shall become effective as provided in Section 4 herein."

1/20/17

*
TENTATIVE DRAFT OF A SUBSTITUTE BILL FOR S. 728 GENERALLY KNOWN AS
THE SWING-JOHNSON BILL, AS INTRODUCED IN THE SEVENTY-THIRD CONGRESS

A BILL

To provide for the construction and financing of works by the United States for the protection and development of the lower Colorado River basin; for flood control in the interest of interstate commerce and international relations; for the protection of land and property of the United States; for furthering the seven-state Colorado River Compact and a three-state agreement between the states of Arizona, California and Nevada; for compensation in lieu of taxation to Arizona and Nevada from works constructed on their common boundary equal to the revenues from taxation such states would receive from such works including the use of natural resources of land and water, were the development made by private capital.

Sec. 1. (a) Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of flood control, promotion of interstate commerce, provision for storage and supply of water for agricultural and domestic use, reclamation of public lands, and generation of electric energy, (as one of the principal means of making the projects herein authorized self-supporting and financially solvent) the Secretary of the Interior, subject to the terms of the Colorado River Compact and the three-state agreement herein-after mentioned, is hereby authorized to construct a dam or dams, and incidental works in the main stream of the Colorado River on the common boundary of the states of Arizona and Nevada, at Black or Boulder Canyon, adequate to create a storage capacity of not less than twenty million acre feet of water.

(b) The Secretary of the Interior is further authorized for the purpose of re-regulation of the river for irrigation purposes and increasing and stabilizing the amount of firm power, in connection with the dam menti-

in subdivision (a) hereof, to construct, operate and maintain a dam and incidental works in the Colorado River at a point on the common boundary of Arizona and Nevada, generally known as "Bull's Head", for the same purposes described in subdivision (a) hereof, and adequate to create storage capacity of not less than a million and a half acre feet.

Sec. 2. All of the structures above referred to shall be constructed with the consent and in compliance with the laws of the states in which such structures may be located in whole or in part. All appropriations of water from the Colorado River incident to or resulting from construction, use, and operation of the works herein authorized, shall be made and perfected in and in conformity with the laws of the state in which such works are located.

Sec. 3. (a) Authority is hereby granted for the negotiation of a treaty with the Republic of Mexico, for an equitable apportionment of the waters of the Colorado River, which treaty may provide for the payment of compensation to Mexico for the lease to the United States of an area or zone of land sufficient for the construction, operation and maintenance of a canal or canals to convey water diverted from the Colorado River at Laguna Dam for the irrigation of lands in the state of California upon terms and conditions similar to the lease of certain lands for canal purposes, as provided in the treaty of November 18, 1903, between the United States and the Republic of Panama. Said treaty may also provide for an agreement between the two nations respecting the construction and maintenance of levees.

(b) It is hereby declared that all the rights to the use of all waters of the Colorado River stored by the works hereby authorized, are forever reserved for agricultural, domestic and industrial uses within the United States, and the Secretary of State is hereby authorized and directed to so advise the Republic of Mexico. Nothing in this Act, however, shall be construed as a denial or recognition of any existing rights, if any, in Mexico, to the use of a portion of the normal flow of the Colorado River, and this Act shall be without prejudice to the negotiation of a treaty affecting such rights.

Sec. 4. In carrying out the provisions of this Act for securing revenue from water power, the Secretary of the Interior shall comply with the provisions of the Federal Water Power Act, giving to private capital and municipal and state governments opportunity to obtain for proper compensation the right to the use and distribution of the power generated, on the understanding that the United States shall refrain from entering any phase of business which can be successfully undertaken and conducted by private or municipal enterprise.

Sec. 5. (a) There is hereby established a special fund to be known as the "Colorado River Control Fund" hereinafter referred to as "the fund", and to be available as hereafter provided for in carrying out the provisions of this Act shall be paid into and expenditures shall be made out of the fund under the direction of the Secretary of the Interior.

(b) The Secretary of the Treasury, subject to the conditions herein imposed and for the purposes specified, is authorized to advance to the fund, from time to time, and within the appropriations therefor, such amounts as the Secretary of the Interior deems necessary for carrying out the provisions of this Act, except that the aggregate amount of such advances shall not exceed the sum of one hundred and twenty-two million dollars.

Sec. 6. (a) For the purpose of promoting interstate commerce and the protection of public lands and other property of the United States, appropriations not exceeding \$50,000,000 are hereby authorized as the Federal contribution toward controlling the floods of the Colorado River and its tributaries in the States of Arizona, California and Nevada, which sum may be expended to pay a part of the cost of such dam or dams as may be hereafter constructed and any such appropriation for flood control shall not be reimbursed to the United States.

(b) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury, not otherwise appropriated, such sums of money as may be necessary to carry out the purposes of this Act, which together with

the foregoing appropriation shall not exceed in the aggregate one hundred and twenty-two million dollars.

Sec. 7. Of the said one hundred and twenty-two million dollars hereby appropriated not to exceed ninety-two million dollars shall be repaid to the United States with interest not exceeding four percent per annum within a period of fifty years from the date of completion of the projects herein authorized.

Sec. 8. Moneys advanced to the fund under Section 6 shall be available only for expenditures for construction and the payment of interest on that portion of the fund repayable to the United States during the construction period upon the amounts so advanced. No expenditures out of the fund shall be made for operation and maintenance after the completion of the projects hereby authorized.

Sec. 9. Before any construction work is done or contracted for, the Secretary of the Interior shall make provision for revenues, by contract or lease, in accordance with the provisions of this Act, adequate, in his judgment, to insure payment of all expenses of operation and maintenance of said work incurred by the United States and the repayment within fifty years from the date of the completion of the projects of all amounts repayable to the United States and advanced to the fund under Section 8, with interest thereon together with a revenue to states in which the works are constructed equivalent to that which such states would receive from the works constructed and the use of their natural resources of land and water if the proposed development were made by private capital. Such revenue to the states to be in compliance with the agreement referred to in this Act between the states of Arizona, California and Nevada. ✓

Sec. 10. (a) The Secretary of the Interior is hereby authorized, under such general regulations as he may prescribe, to contract for the storage of water in said reservoirs, and for the delivery thereof, at such points on the Colorado River within the United States, as may be agreed upon, for irrigation and

domestic uses, and delivery at the switchboard to municipal corporations, political subdivisions and private corporations of electrical energy, generated at said dams, upon charges which will, in his judgment, together with other revenues cover all expenses of operation and maintenance incurred by the United States on account of works constructed under this Act, and the payment to the United States, under Section 6, together with the revenue to states herein provided. Contracts respecting water for irrigation and domestic uses shall be for permanent service. No person shall have or be entitled to have the use for any purpose of the water stored aforesaid except by contract made as herein stated.

(b) The Secretary of the Interior may, in his discretion, enter into contracts or lease of a unit or units of said plants, with right to generate electrical energy or, alternatively, to enter into contracts or lease for the use of water for the generation of electrical energy, in either of which events the provisions of Section 6 of this Act relating to revenue, term, renewals, determination of conflicting applications and joint use of transmission lines under contracts for the sale of electrical energy, shall apply.

(c) All rules and regulations prescribed by the Secretary of the Interior for awarding contracts for sale and delivery of electrical energy, shall be in compliance with the provisions of the Federal Water Power Act.

(d) After the repayments to the United States of all money repayable with interest, charges shall be made on such basis and the revenue derived therefrom shall be disposed of in accordance with the three-state agreement herein provided.

(e) There shall be reserved for domestic and industrial use within Arizona and Nevada a specific amount of electrical energy for purchase at the switchboard of the proposed power plants.

(f) Any agency receiving a contract for electrical energy equivalent to

to one hundred thousand firm horsepower, or more, may when deemed feasible by the said Secretary, from engineering and economic considerations, and under general regulations prescribed by him, be required to permit other similar agency having contracts hereunder for less than the equivalent of twenty-five thousand firm horsepower to participate in the benefits and use of any main transmission line constructed by the former for carrying such energy (not exceeding, however, one-fourth the capacity of such line), upon payment by such other agencies of a reasonable share of the cost of construction, operation and maintenance thereof.

(g) The use is hereby authorized of such public and reserve lands of the United States as the said Secretary shall determine to be necessary or convenient for the construction, operation and maintenance of main transmission lines to transmit said electrical energy.

Sec. 11. (a) That the dams and reservoirs provided for by Section 1 hereof shall be used: First, for river regulation and flood control; second, for irrigation and domestic uses and satisfaction of present perfecting rights as provided by Article VIII of the Colorado River Compact; and third, for power. The title to said dams, reservoirs, plants and incidental works shall forever remain in the United States.

(b) The Secretary of the Interior shall prescribe and enforce rules and regulations conforming with the requirements of the Federal Water Power Act so far as applicable, respecting maintenance of works in condition of repair adequate for their efficient operation, maintenance of a system of accounting, control of rates and service, in the absence of state regulation or interstate agreement, valuation for rate making purposes, transfers of contracts, contracts extended beyond the lease period, expropriation of excessive profits, emergency use by the United States of property of lessees and penalties for enforcing regulations made under this Act or penalizing failure to comply with such regulations or the provisions of this Act.

Sec.12. (a) In order to put the stored and impounded waters above provided for to beneficial use in reclaiming public and other lands wholly within the United States, the following dam, canals and other works are authorized to be constructed by the Secretary of the Interior, at such time as the Secretary of the Interior and the Engineering Board of Review, hereinafter provided, shall have approved the feasibility of such projects and the ability of the lands reclaimed by them, owing to their productive qualities, to repay to the United States within fifty years the cost of these projects without interest, the total cost of which shall be reimbursed to the United States in accordance with the terms of the Reclamation Act.

(b) A dam across the Colorado River near Parker, Arizona, and canals and other works for the irrigation of lands in the states of Arizona and California, at a limited cost of \$42,000,000. Said dam may be incidentally used for the generation of hydro-electric power and to impound and desilt water for domestic use.

(c) A main canal and appurtenant structures located entirely within the United States connecting the Laguna Dam with Imperial and Coachella Valleys in the state of California at a limited cost of \$42,000,000.

(d) Consent is hereby given to divert from the Colorado River basin, not to exceed eight hundred thousand acre feet of water per annum for domestic use in the city of Los Angeles and the proposed metropolitan water district of Southern California upon the annual payment into the funds of two dollars per acre foot as a charge for storing and desilting said water. Such consent to be in conformity with the three-state agreement herein referred to.

Notes: (At this point insert clauses covering the substance of Section 9 of S.722, providing for preference rights of ex-service men in land settlement and for their preference in employment in the work authorized under this Act.)

Sec.13. That nothing in this Act shall be construed as modifying in any manner the existing contract, dated October 22, 1926, between the United States and the Imperial Irrigation District, providing for a connection with Laguna

Don, but the Secretary of the Interior is authorized to modify the said contract, with the consent of the said district, and also to enter into contract or contracts with the said district or other districts, persons, or agencies for the construction, in accordance with this Act, of said canal and appurtenant structures, and also for the operation and maintenance thereof with the consent of the other users.

Sec.14. "Political subdivision" or "political subdivisions" as used in this Act shall be understood to include any state, irrigation, or other district, municipality, or other governmental organization.

Power Act
"Reclamation law" as used in this Act shall be understood to mean that certain Act of the Congress of the United States approved June 17, 1902, entitled "An Act appropriating the receipts from the sale and disposal of public land in certain States and Territories to the construction of irrigation works for the reclamation of arid lands," and the Acts amendatory thereof and supplemental thereto.

"Maintenance" as used herein shall be deemed to include in each instance provision for keeping the works in good operating condition.

Sec.15. In order to be assured of the financial, economic and engineering feasibility of the projects as hereinafter authorized or as planned and designed by the Bureau of Reclamation of the Interior Department, the President is hereby authorized to appoint a board of five competent engineers, of outstanding reputation, at least one of whom shall be an engineer officer of the Army, which board shall examine into and review the plans and estimates heretofore made by engineers of the Bureau of Reclamation for the control and utilization of the waters of the Colorado River and report thereon within six months after the approval of this Act, on the projects hereby authorized in Section 1, and on the projects hereby authorized in Section 12 within two years. Together with such other recommendations as said board may make with respect to the highest beneficial use of the waters of the Colorado River system for domestic, irrigation, power and other uses. No contract for construction authorized

by this bill or providing for reimbursing the Federal Government shall be entered into by the Secretary of the Interior prior to the receipt of the Engineering Board's favorable report thereon.

Sec.15. No work shall be begun and no moneys expended on or in connection with the works or structures provided for in this Act, and no water rights shall be claimed or initiated hereunder, and no steps shall be taken by the United States or by others to initiate or perfect any claims to the use of water pertinent to such works or structures until the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming shall have approved the Colorado River Compact signed at Santa Fe, New Mexico, November 24, 1922, and until the states of Arizona, California and Nevada have negotiated and approved a three-state agreement covering the distribution between them of water allotted to the lower Colorado River basin under the Colorado River Compact of November 24, 1922, and the distribution among them of revenue from power and other benefits resulting from the construction of the proposed works, Provided that such Colorado River Compact and three-state agreement shall also have been approved by the Congress of the United States.

Sec.17. After the repayment to the United States of the funds advanced for works proposed in this Act, exclusive of the thirty million dollars appropriated by the United States for the purpose of Colorado River flood control, the benefits received from the sale of power and other benefits, shall be distributed as provided in the three-state agreement above referred to between Arizona, California and Nevada and approved by the Congress.

Sec.18. This Act shall be deemed a supplement to the Reclamation Act where the reclamation of land is provided, which said Act shall govern the construction, operation and management of the works herein authorized, except as otherwise herein provided.

Sec.19. That the short title of this Act shall be "Boulder Canyon Act."

Copy.

THE SECRETARY OF THE INTERIOR

WASHINGTON

Jan. 27, 1928.

Hon. Hiram W. Johnson,

United States Senate.

My dear Senator Johnson:

Replying to your letter of January 21, in which you ask for a statement of my views with respect to compensation to States in which Government works are erected:

If legislation of this character is incorporated in the Boulder Canyon bill, it will inaugurate a new policy. Whether the States are now the owners of the waters of interstate and other streams flowing within their boundaries and may dispose of such waters subject only to the paramount right of Congress to control navigation, is a legal matter which may more properly be passed upon by the Attorney General of the United States than by this Department. Congress, however, should give careful consideration to the effect of a law or policy which would permit the imposition of a tax or royalty upon the property or revenue of the Boulder Canyon project or any other irrigation works constructed by the United States.

My information is that it is the policy and practice of the States generally to exempt private irrigation works from the payment of taxes. Such exemption is designed to foster irrigation enterprises and to render feasible projects which with taxation would not be economically feasible. The benefits of the State flow from the development and increased property values thus brought about, which compensate for the loss of revenues which might be derived directly by taxation. Federal works, unlike private projects, are not built for profit. On the contrary, a large element of subsidy is included in the Federal plan through foregoing interest on money expended for construction or the exaction of a low rate of interest as proposed under the exceptional conditions connected with the Boulder Dam plan. Why then should more onerous conditions than those above stated apply to projects of the Federal Government?

I believe it is not the practice of the States generally to impose a royalty upon power generated by private enterprises. They appear generally to be content with taxation of the physical properties of the power companies. If power plants, transmission lines and other works are constructed by private enterprise in connection with the Boulder Dam, they will be subject to taxation by the States within which located in like manner as other private property. No power plant will be constructed by the United States at Boulder Canyon if satisfactory arrangements can be made for disposing of the electric energy otherwise.

If the Federal Government through legislative enactment deems it proper to divert a portion of the revenues derived from the Government's investment to the States, the legislation should take the form of a gratuity to the States in which the works are located in the form of royalty or net revenue in the same way that is now done in connection with development of oil, gas and coal under the leasing act. It is my opinion, however, that provision for subsidies to the States has no proper place in the present legislation. If this project is to be built by the Federal Government with the taxpayers' money, provision for compensation to the States should await the time when the Government's in-

vestment has been repaid. Congress may then determine under conditions existing at that time what compensation, if any, may properly be made to the States.

In considering this question in connection with Boulder Dam it must be remembered that the revenue to be obtained from either irrigation or industry is restricted. The irrigation charges at Yuma and Imperial Valley are regarded as burdensome. If to these there is added the cost of storage and repayment of expenses of additional works, these charges will be all that agriculture can stand. Payments for the water itself, for desilting it, and for flood control are out of the question. The proposal is, however, that the payments to Arizona and Nevada shall be taken from the revenues for power. The amount of this revenue can not at present be determined, but enough is already known to be certain that the margin between the payments needed to reimburse the United States in fifty years, and the value of power to those who purchase it, will be small, and with the improvements in methods of generating power by other means, it may become even less in the future. Consequently, there is nothing today on which the amount of such a toll could be certainly determined, and as the United States has to assume all of the responsibilities and all of the hazards of this development, it would be very unwise at this time to agree to the payments of any sum to either of these States.

If the States own and can dispose of the waters within their boundaries and charge the Federal Government for their use, the investment of Federal funds would be rendered much more insecure than at present. Even now it is claimed that many projects are unable to meet their payments and large sums have been charged off by Congress for that reason. The time for repayment of construction charges was extended first from ten to twenty years, and again recently from twenty to forty years. If irrigation and incidental works are to be subject to taxation or other tribute by the States, the additional burden must be passed on to the water users or borne by the Federal Treasury. If assessed against the water users, this would render many projects infeasible and throw great doubt upon the feasibility of all because of the uncertainty regarding the charge which must be paid for the use of water or other conditions which might be imposed by the States.

On several projects water is stored or diverted in one state for use in another. If the State in which the water is stored or diverted may tax or otherwise exact a charge for the use of that water, development in the lower State could be arrested or prevented. On the Rio Grande project, for example, if New Mexico owns and may charge for the use of water stored in the Elephant Butte Reservoir in that State, are not the irrigable lands in Texas at the mercy of New Mexico, and could not New Mexico prevent the United States from carrying out its treaty obligations with Mexico for the delivery of water to that republic from the Elephant Butte Reservoir? * Water is stored in Jackson Lake Reservoir in Wyoming for use in Idaho. The Klamath project is an interstate one, as is also the Owyhee. The proposed Red Bluff project, the construction of which has been authorized by Congress, would have a reservoir in New Mexico for the irrigation of lands exclusively in Texas. A charge could be made by any State in which water is diverted, stored or used. Thus a charge could be exacted by two or more states for the use of water. The difficulties and complications which would follow a rule such as outlined in the Pittman resolution are innumerable. * Water is stored in Wyoming in the Pathfinder Reservoir of the North Platte project for use in Nebraska.

Federal reclamation was adopted and has been upheld on the ground that

NOTE *

it is a Federal function and must carry with it all things necessary to make it effective. If it is a legitimate Federal function it should be free from taxation by the States in the same manner that other Federal property and instrumentalities are and must be exempted if they are to survive. Experience has demonstrated and the courts have repeatedly held that such instrumentalities must be unhampered by the States. What might happen is exemplified by the following: A few days ago a copy of an order was received from the Corporation Commission of one of the States holding, in effect, that the United States should apply to that Commission for a certificate of necessity and convenience for construction of irrigation works, power plants, and other facilities some of which were constructed several years ago and have since been operated. The order further requires compliance with whatever orders and directions may be given by the Commission. The extent of such orders and the effect of them it is not now possible to state.

If it be true, as the Pittman resolution recites, that the States now own and may properly charge for the use of water within their boundaries, or by express Congressional enactment such right is conferred, Federal investments in irrigation projects, in my opinion, would be unduly hazardous, and wisdom dictates that the United States proceed with great caution. There is thus presented the very pertinent inquiry whether the Federal Government should not withdraw from the field if the Pittman resolution is to be given full effect.

Very truly yours,

(sgd.) HUBERT WORK.

Robt. Talley
Clarkdale
Arizona

J. W. Strode
Governors Office
Phoenix
Arizona

Clifton Matthews
attorney at law
Globe, Arizona

John Gust - attorney at law
Flaming Bldg
Phoenix, Ariz

Wright B. Heard
Phoenix
Arizona

Judge Samuel White
attorney at law
Lukers Bldg
Phoenix, Ariz

Thomas O'Brien
Inspiration Copper Co
Miami Ariz

W. B. Norvell
attorney at law
Monahan Bldg
Phoenix Ariz



THE WILLARD

WASHINGTON

CAPITOL HOTEL COMPANY
FRANK S. HIGHT, MANAGING DIRECTOR

Geo W Huns
State Capitol
Phoenix, Ariz

Malford Winsor
State Capitol
Phoenix, Ariz

A. M. Crawford
Clankdale
Arizona

A. H. Farrow
Prescott
Ariz

Thomas Kimball
Thatcher
Ariz

Rep. J. F. Murphy
Globe
Ariz

Thomas Muddock
306 E M. & Lowell Rd. Phoenix
H. M. & Cluskey - State Capitol - Phoenix



THE WILLARD

WASHINGTON

CAPITOL HOTEL COMPANY
FRANK B. NIGHT, MANAGING DIRECTOR

THE WALDORF-ASTORIA, NEW YORK, THE BELLEVUE-STRATFORD, PHILADELPHIA, AND
THE WINDSOR, MONTREAL, CANADA, UNDER SAME MANAGEMENT

This is the form in which the bill passed the House by a vote of 219 to 137.

E.M.

70TH CONGRESS
1ST SESSION

H. R. 5773

IN THE SENATE OF THE UNITED STATES

MAY 3 (calendar day, MAY 26), 1928

Read once

AN ACT

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That for the purpose of controlling the floods, improv-
- 4 ing navigation, and regulating the flow of the lower
- 5 Colorado River, providing for storage and delivery
- 6 of the waters thereof for reclamation of public lands
- 7 and other beneficial uses within the United States, and
- 8 for the generation of electrical energy as a means of making
- 9 the project herein authorized a self-supporting and financially

1 solvent undertaking, the Secretary of the Interior, subject to
2 the terms of the Colorado River compact hereinafter men-
3 tioned, is hereby authorized to construct, operate, and main-
4 tain a dam and incidental works in the main stream of the
5 Colorado River at Black Canyon or Boulder Canyon ade-
6 quate to create a storage reservoir of a capacity of not less
7 than twenty million acre-feet of water and a main canal and
8 appurtenant structures located entirely within the United
9 States connecting the Laguna Dam with the Imperial and
10 Coachella Valleys in California: *Provided*, That the laws
11 of any State in which any part of the construction work
12 herein authorized is performed, in respect of the employment
13 of laborers and mechanics on State, county, or municipal
14 works, shall apply to the employment of laborers and me-
15 chanics upon any part of the construction work herein
16 authorized: *Provided further*, That all contracts for the
17 delivery of water for irrigation purposes provided for in
18 section 5 shall provide that all irrigable land held in private
19 ownership by any one owner in excess of one hundred and
20 sixty acres shall be appraised in a manner to be prescribed
21 by the Secretary of the Interior and the sale prices thereof
22 fixed by the said Secretary on the basis of its actual bona
23 fide value at the date of appraisal without reference to the
24 proposed construction of the irrigation works provided for
25 by this Act; and that no such excess lands so held shall

1 receive water from said canal if the owners thereof shall
2 refuse to execute valid recordable contracts for the sale of
3 such lands under terms and conditions satisfactory to the
4 Secretary of the Interior and at prices not to exceed those
5 fixed by the Secretary of the Interior; also to construct
6 and equip, operate, and maintain at or near said dam, and
7 within a State which has approved the Colorado River
8 compact hereinafter mentioned, a complete plant and inci-
9 dental structures suitable for the fullest economic develop-
10 ment of electrical energy from the water discharged from
11 said reservoir; and to acquire by proceedings in eminent
12 domain, or otherwise, all lands, rights of way, and other
13 property necessary for said purposes: *Provided further*, That
14 the Secretary of the Interior is hereby authorized and directed
15 to appoint a board of five eminent engineers and geologists,
16 at least one of whom shall be an engineer officer of the Army
17 on the active or retired list, to examine the proposed site of
18 the dam and review the plans and estimates made therefor
19 before beginning construction, and to advise him from time
20 to time as he may require as to matters affecting the safety,
21 feasibility, and adequacy of the proposed structure and
22 incidental works, the compensation of said board to be fixed
23 by him for each, respectively, but not to exceed \$50 per day
24 and necessary traveling expenses, including a per diem of
25 not to exceed \$6, in lieu of subsistence, for each member of

1 the board so employed for the time employed and actually
2 engaged upon such work: *And provided further*, That the
3 work of construction shall not be commenced until plans
4 therefor are approved by said special board of engineers.
5 No authority hereby conferred on the Secretary of the Inte-
6 rior shall be exercised without the President's sanction and
7 approval.

8 SEC. 2. (a) There is hereby established a special fund,
9 to be known as the "Colorado River Dam fund" (herein-
10 after referred to as the "fund"), and to be available, as
11 hereafter provided, only for carrying out the provisions
12 of this Act. All revenues received in carrying out the provi-
13 sions of this Act shall be paid into and expenditures shall
14 be made out of the fund, under the direction of the Secretary
15 of the Interior.

16 (b) The Secretary of the Treasury is authorized to
17 advance to the fund, from time to time and within the appro-
18 priations therefor, such amounts as the Secretary of the
19 Interior deems necessary for carrying out the provisions of
20 this Act, except that the aggregate amount of such advances
21 shall not exceed the sum of \$125,000,000. Interest at the
22 rate of 4 per centum per annum accruing during the year
23 upon the amounts so advanced and remaining unpaid shall
24 be paid annually out of the fund.

1 (c) Moneys in the fund advanced under subdivision

2 (b) shall be available only for expenditures for construction

3 and the payment of interest upon the amounts so advanced.

4 No expenditures out of the fund shall be made for operation

5 and maintenance except from appropriations therefor.

6 (d) The Secretary of the Treasury shall charge the

7 fund as of June 30 in each year with such amount as may

8 be necessary for the payment of interest on advances made

9 under subdivision (b) at the rate of 4 per centum per annum

10 accrued during the year upon the amounts so advanced and

11 remaining unpaid, except that if the fund is insufficient to

12 meet the payment of interest the Secretary of the Treasury

13 may, in his discretion, defer any part of such payment, and

14 the amount so deferred shall bear interest at the rate of 4 per

15 centum per annum until paid.

16 (e) The Secretary of the Interior shall certify to the

17 Secretary of the Treasury, at the close of each fiscal year,

18 the amount of money in the fund in excess of the amount

19 necessary for construction, operation, and maintenance, and

20 payment of interest. Upon receipt of each such certificate,

21 the Secretary of the Treasury is authorized and directed to

22 charge the fund with the amount so certified as repayment of

23 the advances made under subdivision (b), which amount

24 shall be covered into the Treasury to the credit of miscella-

25 neous receipts.

1 SEC. 3. There is hereby authorized to be appropriated
 2 from time to time, out of any money in the Treasury not
 3 otherwise appropriated, such sums of money as may be
 4 necessary to carry out the purposes of this Act, not exceeding
 5 in the aggregate \$125,000,000.

6 SEC. 4. (a) No work shall be begun and no moneys
 7 expended on or in connection with the works or structures
 8 provided for in this Act, and no water rights shall be
 9 claimed or initiated hereunder, and no steps shall be taken by
 10 the United States or by others to initiate or perfect any claims
 11 to the use of water pertinent to such works or structures until
 12 the States of California, Colorado, Nevada, New Mexico,
 13 Utah, and Wyoming shall have approved the Colorado River
 14 compact mentioned in section 12 hereof and shall have con-
 15 sented to a waiver of the provisions of the first paragraph
 16 of Article XI of said compact, which makes the same binding
 17 and obligatory only when approved by each of the seven
 18 States mentioned in said section 12, and shall have approved
 19 said compact without condition save that of such six-State
 20 approval, and until the President by public proclamation
 21 shall have so declared.

22 (b) Before any money is appropriated or any con-
 23 struction work done or contracted for, the Secretary of the
 24 Interior shall make provision for revenues, by contract,
 25 in accordance with the provisions of this Act, adequate,

To be amended

1 in his judgment, to insure payment of all expenses
2 of operation and maintenance of said works incurred by
3 the United States and the repayment, within fifty years from
4 the date of the completion of the project, of all amounts
5 advanced to the fund under subdivision (b) of section 2,
6 together with interest thereon.

7 If during the period of amortization the Secretary of
8 the Interior shall receive revenue in excess of the amount
9 necessary to meet the periodical and/or accrued payments
10 to the United States as provided in the contract, or con-
11 tracts, executed under this Act, then immediately after the
12 settlement of such periodical and/or accrued payments he
13 shall pay to the State of Arizona $18\frac{3}{4}$ per centum of such
14 excess revenues and to the State of Nevada $18\frac{3}{4}$ per centum
15 of such excess revenues. The conclusion and determination
16 of the Secretary of the Interior shall be subject to the
17 President's sanction and approval.

18 SEC. 5. That the Secretary of the Interior is hereby
19 authorized, under such general regulations as he may pre-
20 scribe, to contract for the storage of water in said reservoir
21 and for the delivery thereof at such points on the river and
22 on said canal as may be agreed upon, for irrigation and
23 domestic uses, and delivery at the switchboard to municipal
24 corporations, political subdivisions, private corporations, and
25 persons of electrical energy generated at said dam, upon

1 charges that will provide revenue which, in addition to other
2 revenue accruing under the reclamation law and under this
3 Act, will in his judgment cover all expenses of operation and
4 maintenance incurred by the United States on account of
5 works constructed under this Act and the payments to the
6 United States under subdivision (b) of section 4. Contracts
7 respecting water for irrigation and domestic uses shall be for
8 permanent service and shall conform to paragraph (a) of
9 section 4 of this Act. No person shall have or be entitled
10 to have the use for any purpose of the water stored as afore-
11 said except by contract made as herein stated.

12 After the repayments to the United States of all money
13 advanced with interest, charges shall be on such basis and
14 the revenues derived therefrom shall be disposed of as may
15 hereafter be prescribed by the Congress.

16 General and uniform regulations shall be prescribed by
17 the said Secretary for the awarding of contracts for the sale
18 and delivery of electrical energy, and for renewals under
19 subdivision (b) of this section, and in making such contracts
20 the following shall govern:

21 (a) No contract for electrical energy shall be of longer
22 duration than fifty years from the date at which such energy
23 is ready for delivery.

24 (b) The holder of any contract for electrical energy,
25 not in default thereunder, shall be entitled to a renewal

1 thereof upon such terms and conditions as may be authorized
2 or required under the then existing laws and regulations,
3 unless the property of such holder dependent for its useful-
4 ness on a continuation of the contract be purchased or
5 acquired and such holder be compensated for damages to
6 its property, used and useful in the transmission and dis-
7 tribution of such electrical energy and not taken, resulting
8 from the termination of the supply.

9 (c) Contracts for the sale and delivery of electrical
10 energy shall be made with responsible applicants therefor
11 who will pay the price fixed by the said Secretary with a
12 view to meeting the revenue requirements of the project
13 as herein provided for. In case of conflicting applications,
14 if any, such conflicts shall be resolved by the said Secre-
15 tary, after hearing, with due regard to the public interest,
16 and in conformity with the policy expressed in the Federal
17 Water Power Act as to conflicting applications for per-
18 mits and license except that preference to applicants for
19 the use of water and appurtenant works and privileges neces-
20 sary for the generation and distribution of hydroelectric
21 energy, or for delivery at the switchboard of a hydroelectric
22 plant, shall be given, first, to a State, or any legal sub-
23 division thereof, for the generation or purchase of electric
24 energy for use in the State, and the States of Arizona,
25 California, and Nevada shall be given equal opportunity as

1 such applicants. The rights covered by such preference shall
2 be contracted for by such State within six months after
3 notice by the Secretary of the Interior and to be paid for
4 on the same terms and conditions as may be provided in
5 other similar contracts made by said Secretary: *Provided*
6 *however*, That no application of a State or a political sub-
7 division for an allocation of electrical energy shall be denied
8 or another application in conflict therewith be granted on
9 the ground that the bond issue of such political subdivision,
10 necessary to enable the applicant to utilize such water and
11 appurtenant works and privileges necessary for the genera-
12 tion and distribution of hydroelectric energy or the electrical
13 energy applied for, has not been authorized or marketed,
14 until after a reasonable time, to be determined by the
15 said Secretary, has been given to such applicant to have
16 such bond issue authorized and marketed.

17 (d) Any agency receiving a contract for electrical
18 energy equivalent to one hundred thousand firm horse-
19 power, or more, may, when deemed feasible by the said
20 Secretary, from engineering and economic considerations
21 and under general regulations prescribed by him, be required
22 to permit other similar agency having contracts hereunder
23 for less than the equivalent of twenty-five thousand firm
24 horsepower to participate in the benefits and use of any
25 main transmission line constructed by the former for carry-

1 ing such energy (not exceeding, however, one-fourth the
2 capacity of such line), upon payment by such other agencies
3 of a reasonable share of the cost of construction, operation,
4 and maintenance thereof.

5 (e) Every contract for electrical energy shall provide
6 that the holder of such contract shall guarantee that in any
7 resale of such energy to the consumers thereof the rates
8 shall not exceed what is fair, just, and reasonable as deter-
9 mined by the Federal Power Commission.

10 The use is hereby authorized of such public and reserved
11 lands of the United States as the said Secretary shall deter-
12 mine to be necessary or convenient for the construction,
13 operation, and maintenance of main transmission lines to
14 transmit said electrical energy.

15 SEC. 6. That the dam and reservoir provided for by
16 section 1 hereof shall be used: First, for river regulation,
17 improvement of navigation, and flood control; second, for
18 irrigation and domestic uses and satisfaction of present per-
19 fected rights in pursuance of Article VIII of said Colorado
20 River compact; and third, for power. The title to said dam,
21 reservoir, plant, and incidental works shall forever remain
22 in the United States, and the United States shall
23 until otherwise provided by Congress control, manage, and
24 operate the same: *Provided, however,* That the Secretary

1 of the Interior may, in his discretion, enter into contracts
2 of lease of a unit or units of said plant, with right to gen-
3 erate electrical energy, within a State which has approved said
4 Colorado River compact, on condition that if two or more
5 such contracts be entered into, provision shall be made for
6 operation of the plant under a joint agreement upon terms
7 approved by the Secretary of the Interior for the purpose
8 of providing for the most economical utilization of the
9 available energy in case of the execution of such contracts
10 the provisions of section 5 of this Act relating to revenue,
11 term, renewals, determination of conflicting applications, and
12 joint use of transmission lines under contracts for the sale
13 of electrical energy, shall apply.

14 As a condition to the lease of the said plant or any unit
15 or units thereof, and as a condition to the sale of electrical
16 energy therefrom, every lessee and every purchaser, if the
17 United States operates the plant, shall agree that the prop-
18 erty of such lessee or purchaser, used and useful in con-
19 nection therewith, shall be valued, whether by the agencies
20 of the States or of the United States, and whether for
21 regulation of rates or for taxation or for State or municipal
22 acquisition and use, at its fair value, not to exceed the net
23 investment of the said lessee or purchaser and said net in-
24 vestment shall be ascertained in accordance with the pro-

visions of the Federal Water Power Act and the regulations of the Federal Power Commission.

Every lease and every contract for the sale of power shall provide that the resale price thereof, with the transformation, transmission, and distribution of such energy, extending to sale to the ultimate consumer, shall be subject to the regulation and control of said Federal Power Commission or of the appropriate authorities of any State or States in which such power is transmitted, distributed, sold, or used, according to the respective jurisdictions of said Federal Power Commission or said State authority, as provided in sections 19 and/or 20 of the Federal Water Power Act.

The Secretary of the Interior shall prescribe and enforce rules and regulations conforming with the requirements of the Federal Water Power Act, together with the rules and regulations of the Federal Power Commission thereunder, respecting maintenance of works in condition of repair adequate for their efficient operation, maintenance of a system of accounting, control of rates and service in the absence of State regulation or interstate agreement, valuation for rate-making purposes, transfers of contracts, contracts extending beyond the lease period, expropriation of excessive profits, emergency use by the United States of property of lessees, and penalties for enforce-

1 ing regulations made under this Act or penalizing failure
2 to comply with such regulations or with the provisions of
3 this Act. He shall also conform with other provisions of
4 the Federal Water Power Act and of the rules and regula-
5 tions of the Federal Power Commission which have been
6 devised or which may be hereafter devised for the protection
7 of the investor and consumer.

* *Amended*
8 SEC. 7. That the Secretary of the Interior may, in his
9 discretion, when repayments to the United States of all
10 money advanced, with interest, shall have been made, trans-
11 fer the title to said canal and appurtenant structures to the
12 districts or other governmental or public agencies in the
13 United States having a beneficial interest therein in pro-
14 portion to their respective capital investments under such
15 form of organization as may be acceptable to him. The
16 said districts or other agencies shall have the privilege at
17 any time of utilizing by contract or otherwise such power
18 possibilities as may exist upon said canal, in proportion to
19 their respective contributions or obligations toward the
20 capital cost of said canal and appurtenant structures from and
21 including the diversion works to the point where each
22 respective power plant may be located. The net proceeds
23 from any power development on said canal shall be paid
24 into the fund and credited to said districts or other agencies
25 on their said contracts, in proportion to their rights to develop

1 power, until the districts or other agencies using said canal
2 shall have paid thereby and under any contract or otherwise
3 an amount of money equivalent to the operation and mainte-
4 nance expense and cost of construction thereof.

5 SEC. 8. (a) All appropriations of water from the Col-
6 orado River, incident to or resulting from the construction,
7 use, and operation of the works herein authorized, shall be
8 made and perfected in and in conformity with the laws of
9 those States which may or shall have approved the Colorado
10 River compact ratified in section 12 of this Act.

11 (b) The United States, its permittees, licensees, and
12 contractees, and all users and appropriators of water stored,
13 diverted, carried, and/or distributed by the reservoir, canals,
14 and other works herein authorized, shall observe and be
15 subject to and controlled by said Colorado River compact
16 in the construction, management, and operation of said
17 reservoir, canals, and other works and the storage, diver-
18 sion, delivery, and use of water for the generation of power,
19 irrigation, and other purposes, anything in this Act to the
20 contrary notwithstanding, and all permits, licenses, and con-
21 tracts shall so provide.

22 (c) Also the United States, in constructing, managing,
23 and operating the dam, reservoir, canals, and other works
24 herein authorized, including the appropriation, delivery, and
25 use of water for the generation of power, irrigation, or

1 other uses, and all users of water thus delivered and all
2 users and appropriators of waters stored by said reservoir
3 and/or carried by said canal, including all permittees and
4 licensees of the United States or any of its agencies, shall
5 observe and be subject to and controlled, anything to the
6 contrary herein notwithstanding, by the terms of such com-
7 pact, if any, between the States of Arizona, California, and
8 Nevada, or any two thereof, for the equitable division of the
9 benefits, including power, arising from the use of water accru-
10 ing to said States, subsidiary to and consistent with said Colo-
11 rado River compact, which may be negotiated and approved
12 by said States and to which Congress shall give its consent
13 and approval on or before January 1, 1929; and the terms of
14 any such compact concluded between said States and
15 approved and consented to by Congress after said date:
16 *Provided*, That in the latter case such compact shall be sub-
17 ject to all contracts, if any, made by the Secretary of the
18 Interior under section 5 hereof prior to the date of such
19 approval and consent by Congress.

20 (d) Nothing in this Act shall be deemed to waive any
21 of the rights or powers reserved or granted to the United
22 States by paragraph 7 of section 20 of the Act providing for
23 the admission of Arizona, approved June 20, 1910, and
24 by the tenth paragraph of Article XX of the constitution of
25 Arizona, but the Secretary of the Interior is authorized on

1 behalf of the United States to exercise such of said rights
2 and powers as may be necessary or convenient for the con-
3 struction and use of the works herein authorized and for
4 carrying out the purposes of this Act.

5 SEC. 9. That all lands of the United States found by
6 the Secretary of the Interior to be practicable of irrigation
7 and reclamation by the irrigation works authorized herein
8 shall be withdrawn from public entry. Thereafter, at the
9 direction of the Secretary of the Interior, such lands shall
10 be opened to entry, in tracts varying in size but not exceed-
11 ing one hundred and sixty acres, as may be determined by
12 the Secretary of the Interior, in accordance with the pro-
13 visions of the reclamation law, and any such entryman shall
14 pay an equitable share in accordance with the benefits
15 received, as determined by the said Secretary, of the con-
16 struction cost of said canal and appurtenant structures; said
17 payments to be made in such installments and at such
18 times as may be specified by the Secretary of the Interior,
19 in accordance with the provisions of the said reclama-
20 tion law, and shall constitute revenue from said project
21 and be covered into the fund herein provided for: *Pro-*
22 *vided*, That all persons who have served in the United
23 States Army, Navy, or Marine Corps during the war with
24 Germany, the war with Spain, or in the suppression of the

1 insurrection in the Philippines, and who have been honor-
2 ably separated or discharged therefrom or placed in the
3 Regular Army or Navy Reserve, shall have the exclusive
4 preference right for a period of three months to enter said
5 lands, subject, however, to the provisions of subsection c
6 of section 4, Act of December 5, 1924 (Forty-third Statutes
7 at Large, page 702) ; and also, so far as practicable, pref-
8 erence shall be given to said persons in all construction work
9 authorized by this Act: *Provided further*, That in the event
10 such an entry shall be relinquished at any time prior to
11 actual residence upon the land by the entryman for not
12 less than one year, lands so relinquished shall not be sub-
13 ject to entry for a period of sixty days after the filing and
14 notation of the relinquishment in the local land office, and
15 after the expiration of said sixty-day period such lands shall
16 be open to entry, subject to the preference in this section
17 provided.

18 SEC. 10. That nothing in this Act shall be construed
19 as modifying in any manner the existing contract, dated
20 October 23, 1918, between the United States and the
21 Imperial Irrigation District, providing for a connection with
22 Laguna Dam; but the Secretary of the Interior is authorized
23 to modify the said contract, with the consent of the said
24 district, and also to enter into contract or contracts with the
25 said district or other districts, persons, or agencies for the

1 construction, in accordance with this Act, of said canal and
2 appurtenant structures, and also for the operation and
3 maintenance thereof, with the consent of the other users.

4 SEC. 11. "Political subdivision" or "political sub-
5 divisions" as used in this Act shall be understood to include
6 any State, irrigation, or other district, municipality, or other
7 governmental organization.

8 "Reclamation law" as used in this Act shall be under-
9 stood to mean that certain Act of the Congress of the United
10 States approved June 17, 1902, entitled "An Act appro-
11 priating the receipts from the sale and disposal of public
12 land in certain States and Territories to the construction of
13 irrigation works for the reclamation of arid lands," and the
14 Acts amendatory thereof and supplemental thereto.

15 "Maintenance" as used herein shall be deemed to
16 include in each instance provision for keeping the works
17 in good operating condition.

18 SEC. 12. (a) The Colorado River compact signed
19 at Santa Fe, New Mexico, November 24, 1922, pur-
20 suant to Act of Congress approved August 19, 1921,
21 entitled "An Act to permit a compact or agreement between
22 the States of Arizona, California, Colorado, Nevada, New
23 Mexico, Utah, and Wyoming respecting the disposition and
24 apportionment of the waters of the Colorado River, and for
25 other purposes," is hereby approved by the Congress of the

1 United States, and the provisions of the first paragraph of
2 article 11 of the said Colorado River compact, making said
3 compact binding and obligatory when it shall have been
4 approved by the legislature of each of the signatory States,
5 are hereby waived, and this approval shall become effective
6 when at least six of the signatory States, including the State
7 of California, shall have approved or may hereafter approve
8 said compact as aforesaid and shall consent to such waiver.

9 (b) The rights of the United States in or to waters of
10 the Colorado River and its tributaries howsoever claimed or
11 acquired, as well as the rights of those claiming under the
12 United States, shall be subject to and controlled by said
13 Colorado River compact.

14 (c) Also all patents, grants, contracts, concessions,
15 leases, permits, licenses, rights of way, or other privileges
16 from the United States or under its authority, necessary or
17 convenient for the use of waters of the Colorado River
18 or its tributaries, or for the generation or transmission of
19 electrical energy generated by means of the waters of said
20 river or its tributaries, "including all permits, licenses,
21 leases, or other privileges approved or issued under the
22 provisions of the Federal Water Power Act, approved
23 June 10, 1920," shall be upon the express condition and
24 with the express covenant that the rights of the recipients
25 or holders thereof to waters of the river or its tributaries,

1 for the use of which the same are necessary, convenient,
2 or incidental, and the use of the same shall likewise be sub-
3 ject to and controlled by said Colorado River compact.

4 (d) The conditions and covenants referred to herein
5 shall be deemed to run with the land and the right, interest,
6 or privilege therein and water right, and shall attach as a
7 matter of law, whether set out or referred to in the instru-
8 ment evidencing any such patent, grant, contract, concession,
9 lease, permit, license, right of way or other privilege from
10 the United States or under its authority, or not, and shall be
11 deemed to be for the benefit of and be available to the States
12 of Arizona, California, Colorado, Nevada, New Mexico,
13 Utah, and Wyoming, and the users of water therein or
14 thereunder by way of suit, defense, or otherwise, in any
15 litigation respecting the waters of the Colorado River or its
16 tributaries.

17 SEC. 13. This Act shall be deemed a supplement to the
18 reclamation law, which said reclamation law shall govern the
19 construction, operation, and management of the works herein
20 authorized, except as otherwise herein provided.

21 SEC. 14. The Secretary of the Interior is authorized
22 and directed to make investigation and public reports of the
23 feasibility of projects for irrigation, generation of electric
24 power, and other purposes in the States of Arizona, Colorado,
25 New Mexico, Utah, and Wyoming for the purpose of making

1 such information available to said States and to the Congress,
 2 and of formulating a comprehensive scheme of headwater
 3 control and the improvement and utilization of the water
 4 of the Colorado River and its tributaries. The sum of
 5 \$250,000 is hereby authorized to be appropriated from said
 6 Colorado River Dam fund, created by section 2 of this Act,
 7 for such purposes.

8 SEC. 15. The Secretary of the Interior shall annually
 9 submit to Congress a report of the transactions had in and
 10 pertaining to the administration of this Act.

11 SEC. 16. Nothing in this Act shall be construed as a
 12 denial or recognition of any rights, if any, in Mexico to the
 13 use of the waters of the Colorado River system.

14 SEC. 17. That the short title of this Act shall be
 15 "Boulder Canyon Project Act."

Passed the House of Representatives May 25, 1928.

Attest:

WM. TYLER PAGE,

Clerk.

70TH CONGRESS }
1ST Session } H. R. 5773

AN ACT

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

MAY 3 (calendar day, May 26), 1928

Read once

Pages 26 to 30 + 36

70TH CONGRESS
2D SESSION

H. R. 5773

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 1928

Ordered to be printed with the amendment of the Senate

AN ACT

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 *That for the purpose of controlling the floods, improv-*
4 *ing navigation, and regulating the flow of the lower*
5 *Colorado River, providing for storage and delivery*
6 *of the waters thereof for reclamation of public lands*
7 *and other beneficial uses within the United States, and*
8 *for the generation of electrical energy as a means of making*
9 *the project herein authorized a self-supporting and financially*

1 solvent undertaking, the Secretary of the Interior, subject to
2 the terms of the Colorado River compact hereinafter men-
3 tioned, is hereby authorized to construct, operate, and main-
4 tain a dam and incidental works in the main stream of the
5 Colorado River at Black Canyon or Boulder Canyon ade-
6 quate to create a storage reservoir of a capacity of not less
7 than twenty-million acre-feet of water and a main canal and
8 appurtenant structures located entirely within the United
9 States connecting the Laguna Dam with the Imperial and
10 Coachella Valleys in California; *Provided*, That the laws
11 of any State in which any part of the construction work
12 herein authorized is performed, in respect of the employment
13 of laborers and mechanics on State, county, or municipal
14 works, shall apply to the employment of laborers and me-
15 chanics upon any part of the construction work herein
16 authorized: *Provided further*, That all contracts for the
17 delivery of water for irrigation purposes provided for in
18 section 5 shall provide that all irrigable land held in private
19 ownership by any one owner in excess of one hundred and
20 sixty acres shall be appraised in a manner to be prescribed
21 by the Secretary of the Interior and the sale prices thereof
22 fixed by the said Secretary on the basis of its actual bona
23 fide value at the date of appraisal without reference to the
24 proposed construction of the irrigation works provided for
25 by this Act; and that no such excess lands so held shall

1 receive water from said canal if the owners thereof shall
2 refuse to execute valid recordable contracts for the sale of
3 such lands under terms and conditions satisfactory to the
4 Secretary of the Interior and at prices not to exceed those
5 fixed by the Secretary of the Interior; also to construct
6 and equip, operate, and maintain at or near said dam, and
7 within a State which has approved the Colorado River
8 compact hereinafter mentioned, a complete plant and inci-
9 dental structures suitable for the fullest economic develop-
10 ment of electrical energy from the water discharged from
11 said reservoir; and to acquire by proceedings in eminent
12 domain, or otherwise, all lands, rights of way, and other
13 property necessary for said purposes: *Provided further*, That
14 the Secretary of the Interior is hereby authorized and directed
15 to appoint a board of five eminent engineers and geologists,
16 at least one of whom shall be an engineer officer of the Army
17 on the active or retired list, to examine the proposed site of
18 the dam and review the plans and estimates made therefor
19 before beginning construction, and to advise him from time
20 to time as he may require as to matters affecting the safety,
21 feasibility and adequacy of the proposed structure and
22 incidental works, the compensation of said board to be fixed
23 by him for each, respectively, but not to exceed \$50 per day
24 and necessary traveling expenses, including a per diem of
25 not to exceed \$6, in lieu of subsistence, for each member of

1 the board so employed for the time employed and actually
 2 engaged upon such work: *And provided further,* That the
 3 work of construction shall not be commenced until plans
 4 therefor are approved by said special board of engineers.
 5 No authority hereby conferred on the Secretary of the Inte-
 6 rior shall be exercised without the President's sanction and
 7 approval.

8 *SEC. 2. (a)* There is hereby established a special fund,
 9 to be known as the "Colorado River Dam fund" (herein-
 10 after referred to as the "fund"); and to be available, as
 11 hereafter provided, only for carrying out the provisions of
 12 this Act. All revenues received in carrying out the provi-
 13 sions of this Act shall be paid into and expenditures shall
 14 be made out of the fund, under the direction of the Secretary
 15 of the Interior.

16 *(b)* The Secretary of the Treasury is authorized to
 17 advance to the fund, from time to time and within the appro-
 18 priations therefor, such amounts as the Secretary of the
 19 Interior deems necessary for carrying out the provisions of
 20 this Act, except that the aggregate amount of such advances
 21 shall not exceed the sum of \$125,000,000. Interest at the
 22 rate of 4 per centum per annum accruing during the year
 23 upon the amounts so advanced and remaining unpaid shall
 24 be paid annually out of the fund.

1 (c) Moneys in the fund advanced under subdivision
2 (b) shall be available only for expenditures for construction
3 and the payment of interest upon the amounts so advanced.
4 No expenditures out of the fund shall be made for operation
5 and maintenance except from appropriations therefor.

6 (d) The Secretary of the Treasury shall charge the
7 fund as of June 30 in each year with such amount as may
8 be necessary for the payment of interest on advances made
9 under subdivision (b) at the rate of 4 per centum per annum
10 accrued during the year upon the amounts so advanced and
11 remaining unpaid, except that if the fund is insufficient to
12 meet the payment of interest the Secretary of the Treasury
13 may, in his discretion, defer any part of such payment, and
14 the amount so deferred shall bear interest at the rate of 4 per
15 centum per annum until paid.

16 (e) The Secretary of the Interior shall certify to the
17 Secretary of the Treasury, at the close of each fiscal year,
18 the amount of money in the fund in excess of the amount
19 necessary for construction, operation, and maintenance, and
20 payment of interest. Upon receipt of each such certificate,
21 the Secretary of the Treasury is authorized and directed to
22 charge the fund with the amount so certified as repayment of
23 the advances made under subdivision (b), which amount
24 shall be covered into the Treasury to the credit of miscella-
25 neous receipts.

1 SEC. 3. There is hereby authorized to be appropriated
2 from time to time, out of any money in the Treasury not
3 otherwise appropriated, such sums of money as may be
4 necessary to carry out the purposes of this Act, not exceeding
5 in the aggregate \$125,000,000.

6 SEC. 4. (a) No work shall be begun and no moneys
7 expended on or in connection with the works or structures
8 provided for in this Act, and no water rights shall be
9 claimed or initiated hereunder, and no steps shall be taken by
10 the United States or by others to initiate or perfect any claims
11 to the use of water pertinent to such works or structures until
12 the States of California, Colorado, Nevada, New Mexico,
13 Utah, and Wyoming shall have approved the Colorado River
14 compact mentioned in section 12 hereof and shall have con-
15 sented to a waiver of the provisions of the first paragraph
16 of Article XI of said compact, which makes the same binding
17 and obligatory only when approved by each of the seven
18 States mentioned in said section 12, and shall have approved
19 said compact without condition save that of such six-State
20 approval, and until the President by public proclamation
21 shall have so declared.

22 (b) Before any money is appropriated or any con-
23 struction work done or contracted for, the Secretary of the
24 Interior shall make provision for revenues, by contract,
25 in accordance with the provisions of this Act, adequate,

1 in his judgment, to insure payment of all expenses
2 of operation and maintenance of said works incurred by
3 the United States and the repayment, within fifty years from
4 the date of the completion of the project, of all amounts
5 advanced to the fund under subdivision (b) of section 2,
6 together with interest thereon.

7 If during the period of amortization the Secretary of
8 the Interior shall receive revenue in excess of the amount
9 necessary to meet the periodical and/or accrued payments
10 to the United States as provided in the contract, or con-
11 tracts, executed under this Act, then immediately after the
12 settlement of such periodical and/or accrued payments he
13 shall pay to the State of Arizona $18\frac{3}{4}$ per centum of such
14 excess revenues and to the State of Nevada $18\frac{3}{4}$ per centum
15 of such excess revenues. The conclusion and determination
16 of the Secretary of the Interior shall be subject to the
17 President's sanction and approval.

18 SEC. 5. That the Secretary of the Interior is hereby
19 authorized, under such general regulations as he may pre-
20 scribe, to contract for the storage of water in said reservoir
21 and for the delivery thereof at such points on the river and
22 on said canal as may be agreed upon, for irrigation and
23 domestic uses, and delivery at the switchboard to municipal
24 corporations, political subdivisions, private corporations, and
25 persons of electrical energy generated at said dam, upon

1 charges that will provide revenue which in addition to other
2 revenue accruing under the reclamation law and under this
3 Act, will in his judgment cover all expenses of operation and
4 maintenance incurred by the United States on account of
5 works constructed under this Act and the payments to the
6 United States under subdivision (b) of section 4. Contracts
7 respecting water for irrigation and domestic uses shall be for
8 permanent service and shall conform to paragraph (a) of
9 section 4 of this Act. No person shall have or be entitled
10 to have the use for any purpose of the water stored as afore-
11 said except by contract made as herein stated.

12 After the repayments to the United States of all money
13 advanced with interest, charges shall be on such basis and
14 the revenues derived therefrom shall be disposed of as may
15 hereafter be prescribed by the Congress.

16 General and uniform regulations shall be prescribed by
17 the said Secretary for the awarding of contracts for the sale
18 and delivery of electrical energy, and for renewals under
19 subdivision (b) of this section; and in making such contracts
20 the following shall govern:

21 (a) No contract for electrical energy shall be of longer
22 duration than fifty years from the date at which such energy
23 is ready for delivery.

24 (b) The holder of any contract for electrical energy,
25 not in default thereunder, shall be entitled to a renewal

1 thereof upon such terms and conditions as may be authorized
2 or required under the then existing laws and regulations,
3 unless the property of such holder dependent for its useful-
4 ness on a continuation of the contract be purchased or
5 acquired and such holder be compensated for damages to
6 its property, used and useful in the transmission and dis-
7 tribution of such electrical energy and not taken, resulting
8 from the termination of the supply.

9 (c) Contracts for the sale and delivery of electrical
10 energy shall be made with responsible applicants therefor
11 who will pay the price fixed by the said Secretary with a
12 view to meeting the revenue requirements of the project
13 as herein provided for. In case of conflicting applications,
14 if any, such conflicts shall be resolved by the said Secre-
15 tary, after hearing, with due regard to the public interest,
16 and in conformity with the policy expressed in the Federal
17 Water Power Act as to conflicting applications for per-
18 mits and license except that preference to applicants for
19 the use of water and appurtenant works and privileges neces-
20 sary for the generation and distribution of hydroelectric
21 energy, or for delivery at the switchboard of a hydroelectric
22 plant, shall be given, first, to a State, or any legal sub-
23 division thereof, for the generation or purchase of electric
24 energy for use in the State, and the States of Arizona,
25 California, and Nevada shall be given equal opportunity as

1 such applicants. The rights covered by such preference shall
2 be contracted for by such State within six months after
3 notice by the Secretary of the Interior and to be paid for
4 on the same terms and conditions as may be provided in
5 other similar contracts made by said Secretary; *Provided*
6 *however*, That no application of a State or a political sub-
7 division for an allocation of electrical energy shall be denied
8 or another application in conflict therewith be granted on
9 the ground that the bond issue of such political subdivision,
10 necessary to enable the applicant to utilize such water and
11 appurtenant works and privileges necessary for the genera-
12 tion and distribution of hydroelectric energy or the electrical
13 energy applied for, has not been authorized or marketed,
14 until after a reasonable time, to be determined by the
15 said Secretary, has been given to such applicant to have
16 such bond issue authorized and marketed.

17 (d) Any agency receiving a contract for electrical
18 energy equivalent to one hundred thousand firm horse-
19 power, or more, may, when deemed feasible by the said
20 Secretary, from engineering and economic considerations
21 and under general regulations prescribed by him, be required
22 to permit other similar agency having contracts hereunder
23 for less than the equivalent of twenty-five thousand firm
24 horsepower to participate in the benefits and use of any
25 main transmission line constructed by the former for carry-

1 ing such energy (not exceeding, however, one-fourth the
2 capacity of such line), upon payment by such other agencies
3 of a reasonable share of the cost of construction, operation,
4 and maintenance thereof.

5 (c) Every contract for electrical energy shall provide
6 that the holder of such contract shall guarantee that in any
7 resale of such energy to the consumers thereof the rates
8 shall not exceed what is fair, just, and reasonable as deter-
9 mined by the Federal Power Commission.

10 The use is hereby authorized of such public and reserved
11 lands of the United States as the said Secretary shall deter-
12 mine to be necessary or convenient for the construction,
13 operation, and maintenance of main transmission lines to
14 transmit said electrical energy.

15 SEC. 6. That the dam and reservoir provided for by
16 section 4 hereof shall be used: First, for river regulation,
17 improvement of navigation, and flood control; second, for
18 irrigation and domestic uses and satisfaction of present per-
19 fected rights in pursuance of Article VIII of said Colorado
20 River compact; and third, for power. The title to said dam,
21 reservoir, plant, and incidental works shall forever remain
22 in the United States, and the United States shall
23 until otherwise provided by Congress control, manage, and
24 operate the same: *Provided, however,* That the Secretary
25 of the Interior may, in his discretion, enter into contracts

1 of lease of a unit or units of said plant, with right to gen-
2 erate electrical energy, within a State which has approved said
3 Colorado River compact, on condition that if two or more
4 such contracts be entered into, provision shall be made for
5 operation of the plant under a joint agreement upon terms
6 approved by the Secretary of the Interior for the purpose
7 of providing for the most economical utilization of the
8 available energy in case of the execution of such contracts
9 the provisions of section 5 of this Act relating to revenue,
10 term, renewals, determination of conflicting applications, and
11 joint use of transmission lines under contracts for the sale
12 of electrical energy, shall apply.

13 As a condition to the lease of the said plant or any unit
14 or units thereof, and as a condition to the sale of electrical
15 energy therefrom, every lessee and every purchaser, if the
16 United States operates the plant, shall agree that the prop-
17 erty of such lessee or purchaser, used and useful in con-
18 nection therewith, shall be valued, whether by the agencies
19 of the States or of the United States, and whether for
20 regulation of rates or for taxation or for State or municipal
21 acquisition and use, at its fair value, not to exceed the net
22 investment of the said lessee or purchaser and said net in-
23 vestment shall be ascertained in accordance with the pro-
24 visions of the Federal Water Power Act and the regulations
25 of the Federal Power Commission.

1 Every lease and every contract for the sale of power
2 shall provide that the resale price thereof, with the trans-
3 formation, transmission, and distribution of such energy,
4 extending to sale to the ultimate consumer, shall be subject
5 to the regulation and control of said Federal Power Com-
6 mission or of the appropriate authorities of any State or
7 States in which such power is transmitted, distributed, sold,
8 or used, according to the respective jurisdictions of said
9 Federal Power Commission or said State authority, as
10 provided in sections 19 and/or 20 of the Federal Water
11 Power Act.

12 The Secretary of the Interior shall prescribe and en-
13 force rules and regulations conforming with the require-
14 ments of the Federal Water Power Act, together with the
15 rules and regulations of the Federal Power Commission
16 thereunder, respecting maintenance of works in condition
17 of repair adequate for their efficient operation; maintenance
18 of a system of accounting; control of rates and service
19 in the absence of State regulation or interstate agree-
20 ment; valuation for rate-making purposes; transfers of con-
21 tracts; contracts extending beyond the lease period; expro-
22 priation of excessive profits; emergency use by the United
23 States of property of lessees; and penalties for enforce-
24 ing regulations made under this Act or penalizing failure
25 to comply with such regulations or with the provisions of

1 this Act. He shall also conform with other provisions of
2 the Federal Water Power Act and of the rules and regula-
3 tions of the Federal Power Commission which have been
4 devised or which may be hereafter devised for the protection
5 of the investor and consumer.

6 SEC. 7. That the Secretary of the Interior may, in his
7 discretion, when repayments to the United States of all
8 money advanced, with interest, shall have been made, trans-
9 fer the title to said canal and appurtenant structures to the
10 districts or other governmental or public agencies in the
11 United States having a beneficial interest therein in pro-
12 portion to their respective capital investments under such
13 form of organization as may be acceptable to him. The
14 said districts or other agencies shall have the privilege at
15 any time of utilizing by contract or otherwise such power
16 possibilities as may exist upon said canal, in proportion to
17 their respective contributions or obligations toward the
18 capital cost of said canal and appurtenant structures from and
19 including the diversion works to the point where each
20 respective power plant may be located. The net proceeds
21 from any power development on said canal shall be paid
22 into the fund and credited to said districts or other agencies
23 on their said contracts, in proportion to their rights to develop
24 power, until the districts or other agencies using said canal

1 shall have paid thereby and under any contract or otherwise
2 an amount of money equivalent to the operation and maintenance
3 expense and cost of construction thereof.

4 SEC. 8. (a) All appropriations of water from the Colorado
5 River, incident to or resulting from the construction,
6 use, and operation of the works herein authorized, shall be
7 made and perfected in and in conformity with the laws of
8 those States which may or shall have approved the Colorado
9 River compact ratified in section 12 of this Act.

10 (b) The United States, its permittees, licensees, and
11 contractees, and all users and appropriators of water stored,
12 diverted, carried, and/or distributed by the reservoir, canals,
13 and other works herein authorized, shall observe and be
14 subject to and controlled by said Colorado River compact
15 in the construction, management, and operation of said
16 reservoir, canals, and other works and the storage, diversion,
17 delivery, and use of water for the generation of power,
18 irrigation, and other purposes, anything in this Act to the
19 contrary notwithstanding, and all permits, licenses, and contracts
20 shall so provide.

21 (c) Also the United States, in constructing, managing,
22 and operating the dam, reservoir, canals, and other works
23 herein authorized, including the appropriation, delivery, and
24 use of water for the generation of power, irrigation, or

1 other uses, and all users of water thus delivered and all
2 users and appropriators of waters stored by said reservoir
3 and/or carried by said canal, including all permittees and
4 licensees of the United States or any of its agencies, shall
5 observe and be subject to and controlled, anything to the
6 contrary herein notwithstanding, by the terms of such com-
7 pact, if any, between the States of Arizona, California, and
8 Nevada, or any two thereof, for the equitable division of the
9 benefits, including power, arising from the use of water accru-
10 ing to said States, subsidiary to and consistent with said Colo-
11 rado River compact, which may be negotiated and approved
12 by said States and to which Congress shall give its consent
13 and approval on or before January 1, 1929; and the terms of
14 any such compact concluded between said States and
15 approved and consented to by Congress after said date;
16 *Provided*, That in the latter case such compact shall be sub-
17 ject to all contracts, if any, made by the Secretary of the
18 Interior under section 5 hereof prior to the date of such
19 approval and consent by Congress.

20 (d) Nothing in this Act shall be deemed to waive any
21 of the rights or powers reserved or granted to the United
22 States by paragraph 7 of section 20 of the Act providing for
23 the admission of Arizona, approved June 20, 1910, and
24 by the tenth paragraph of Article XX of the constitution of
25 Arizona, but the Secretary of the Interior is authorized on

1 behalf of the United States to exercise such of said rights
2 and powers as may be necessary or convenient for the con-
3 struction and use of the works herein authorized and for
4 carrying out the purposes of this Act.

5 SEC. 9. That all lands of the United States found by
6 the Secretary of the Interior to be practicable of irrigation
7 and reclamation by the irrigation works authorized herein
8 shall be withdrawn from public entry. Thereafter, at the
9 direction of the Secretary of the Interior, such lands shall
10 be opened to entry, in tracts varying in size but not exceed-
11 ing one hundred and sixty acres, as may be determined by
12 the Secretary of the Interior, in accordance with the pro-
13 visions of the reclamation law; and any such entryman shall
14 pay an equitable share in accordance with the benefits
15 received, as determined by the said Secretary, of the con-
16 struction cost of said canal and appurtenant structures; said
17 payments to be made in such installments and at such
18 times as may be specified by the Secretary of the Interior,
19 in accordance with the provisions of the said reclama-
20 tion law; and shall constitute revenue from said project
21 and be covered into the fund herein provided for: *Pro-*
22 *vided,* That all persons who have served in the United
23 States Army, Navy, or Marine Corps during the war with
24 Germany, the war with Spain, or in the suppression of the

1 insurrection in the Philippines, and who have been honor-
2 ably separated or discharged therefrom or placed in the
3 Regular Army or Navy Reserve, shall have the exclusive
4 preference right for a period of three months to enter said
5 lands, subject, however, to the provisions of subsection e
6 of section 4, Act of December 5, 1924 (Forty-third Statutes
7 at Large, page 702); and also, so far as practicable, pref-
8 erence shall be given to said persons in all construction work
9 authorized by this Act: *Provided further*, That in the event
10 such an entry shall be relinquished at any time prior to
11 actual residence upon the land by the entryman for not
12 less than one year, lands so relinquished shall not be sub-
13 ject to entry for a period of sixty days after the filing and
14 notation of the relinquishment in the local land office, and
15 after the expiration of said sixty-day period such lands shall
16 be open to entry, subject to the preference in this section
17 provided.

18 SEC. 10. That nothing in this Act shall be construed
19 as modifying in any manner the existing contract, dated
20 October 23, 1918, between the United States and the
21 Imperial Irrigation District, providing for a connection with
22 Laguna Dam; but the Secretary of the Interior is authorized
23 to modify the said contract, with the consent of the said
24 district, and also to enter into contract or contracts with the
25 said district or other districts, persons, or agencies for the

1 construction, in accordance with this Act, of said canal and
2 appurtenant structures, and also for the operation and
3 maintenance thereof, with the consent of the other users.

4 SEC. 11. "Political subdivision" or "political sub-
5 divisions" as used in this Act shall be understood to include
6 any State, irrigation, or other district, municipality, or other
7 governmental organization.

8 "Reclamation law" as used in this Act shall be under-
9 stood to mean that certain Act of Congress of the United
10 States approved June 17, 1902, entitled "An Act appro-
11 priating the receipts from the sale and disposal of public
12 land in certain States and Territories to the construction of
13 irrigation works for the reclamation of arid lands," and the
14 Acts amendatory thereof and supplemental thereto.

15 "Maintenance" as used herein shall be deemed to
16 include in each instance provision for keeping the works
17 in good operating condition.

18 SEC. 12. (a) The Colorado River compact signed
19 at Santa Fe, New Mexico, November 24, 1922, pur-
20 suant to Act of Congress approved August 19, 1921,
21 entitled "An Act to permit a compact or agreement between
22 the States of Arizona, California, Colorado, Nevada, New
23 Mexico, Utah, and Wyoming respecting the disposition and
24 apportionment of the waters of the Colorado River, and for
25 other purposes," is hereby approved by the Congress of the

1 United States, and the provisions of the first paragraph of
2 article 11 of the said Colorado River compact, making said
3 compact binding and obligatory when it shall have been
4 approved by the legislature of each of the signatory States,
5 are hereby waived, and this approval shall become effective
6 when at least six of the signatory States, including the State
7 of California, shall have approved or may hereafter approve
8 said compact as aforesaid and shall consent to such waiver.

9 (b) The rights of the United States in or to waters of
10 the Colorado River and its tributaries howsoever claimed or
11 acquired, as well as the rights of those claiming under the
12 United States, shall be subject to and controlled by said
13 Colorado River compact.

14 (c) Also all patents, grants, contracts, concessions,
15 leases, permits, licenses, rights of way, or other privileges
16 from the United States or under its authority, necessary or
17 convenient for the use of waters of the Colorado River
18 or its tributaries, or for the generation or transmission of
19 electrical energy generated by means of the waters of said
20 river or its tributaries, "including all permits, licenses,
21 lences, or other privileges approved or issued under the
22 provisions of the Federal Water Power Act, approved
23 June 10, 1920," shall be upon the express condition and
24 with the express covenant that the rights of the recipients
25 or holders thereof to waters of the river or its tributaries,

1 for the use of which the same are necessary, convenient,
2 or incidental, and the use of the same shall likewise be sub-
3 ject to and controlled by said Colorado River compact.

4 (d) The conditions and covenants referred to herein
5 shall be deemed to run with the land and the right, interest,
6 or privilege therein and water right, and shall attach as a
7 matter of law, whether set out or referred to in the instru-
8 ment evidencing any such patent, grant, contract, concession,
9 lease, permit, license, right of way or other privilege from
10 the United States or under its authority, or not, and shall be
11 deemed to be for the benefit of and be available to the States
12 of Arizona, California, Colorado, Nevada, New Mexico,
13 Utah, and Wyoming, and the users of water therein or
14 thereunder by way of suit, defense, or otherwise, in any
15 litigation respecting the waters of the Colorado River or its
16 tributaries.

17 SEC. 13. This Act shall be deemed a supplement to the
18 reclamation law, which said reclamation law shall govern the
19 construction, operation, and management of the works herein
20 authorized, except as otherwise herein provided.

21 SEC. 14. The Secretary of the Interior is authorized
22 and directed to make investigation and public reports of the
23 feasibility of projects for irrigation, generation of electric
24 power, and other purposes in the States of Arizona, Colorado,
25 New Mexico, Utah, and Wyoming for the purpose of making

1 such information available to said States and to the Congress,
2 and of formulating a comprehensive scheme of headwater
3 control and the improvement and utilization of the water
4 of the Colorado River and its tributaries. The sum of
5 \$250,000 is hereby authorized to be appropriated from said
6 Colorado River Dam fund, created by section 2 of this Act,
7 for such purposes.

8 SEC. 15. The Secretary of the Interior shall annually
9 submit to Congress a report of the transactions had in and
10 pertaining to the administration of this Act.

11 SEC. 16. Nothing in this Act shall be construed as a
12 denial or recognition of any rights, if any, in Mexico to the
13 use of the waters of the Colorado River system.

14 SEC. 17. That the short title of this Act shall be
15 "Boulder Canyon Project Act."

16 *That for the purpose of controlling the floods, improving*
17 *navigation and regulating the flow of the Colorado River,*
18 *providing for storage and for the delivery of the stored*
19 *waters thereof for reclamation of public lands and other bene-*
20 *ficial uses exclusively within the United States, and for the*
21 *generation of electrical energy as a means of making the*
22 *project herein authorized a self-supporting and financially*
23 *solvent undertaking, the Secretary of the Interior, subject to*
24 *the terms of the Colorado River compact hereinafter men-*
25 *tioned, is hereby authorized to construct, operate, and main-*

tain a dam and incidental works in the main stream of the Colorado River at Black Canyon or Boulder Canyon adequate to create a storage reservoir of a capacity of not less than twenty million acre-feet of water and a main canal and appurtenant structures located entirely within the United States connecting the Laguna Dam, or other suitable diversion dam which the Secretary of the Interior is hereby authorized to construct if deemed necessary or advisable by him upon engineering or economic considerations, with the Imperial and Coachella Valleys in California, the expenditures for said main canal and appurtenant structures to be reimbursable, as provided in the reclamation law, and shall not be paid out of revenues derived from the sale or disposal of water power or electric energy at the dam authorized to be constructed at said Black Canyon or Boulder Canyon, or for water for potable purposes outside of the Imperial and Coachella Valleys: Provided, however, That no charge shall be made for water or for the use, storage, or delivery of water for irrigation or water for potable purposes in the Imperial or Coachella Valleys; also to construct and equip, operate, and maintain at or near said dam, or cause to be constructed a complete plant and incidental structures suitable for the fullest economic development of electrical energy from the water discharged from said reservoir; and to acquire by proceedings in eminent domain, or otherwise,

1 all lands, rights of way, and other property necessary
2 for said purposes.

3 SEC. 2. (a) There is hereby established a special fund,
4 to be known as the "Colorado River Dam fund" (herein-
5 after referred to as the "fund"), and to be available, as
6 hereafter provided, only for carrying out the provisions of
7 this Act. All revenues received in carrying out the provi-
8 sions of this Act shall be paid into and expenditures shall be
9 made out of the fund, under the direction of the Secretary of
10 the Interior.

11 (b) The Secretary of the Treasury is authorized to
12 advance to the fund, from time to time and within the appro-
13 priations therefor, such amounts as the Secretary of the
14 Interior deems necessary for carrying out the provisions of
15 this Act, except that the aggregate amount of such advances
16 shall not exceed the sum of \$165,000,000. Of this amount
17 the sum of \$25,000,000 shall be allocated to flood control
18 and shall be repaid to the United States out of $62\frac{1}{2}$ per
19 centum of revenues, if any, in excess of the amount necessary
20 to meet periodical payments during the period of amortiza-
21 tion, as provided in section 4 of this Act. If said sum of
22 \$25,000,000 is not repaid in full during the period of
23 amortization, then $62\frac{1}{2}$ per centum of all net revenues shall
24 be applied to payment of the remainder. Interest at the
25 rate of 4 per centum per annum accruing during the year

1 upon the amounts so advanced and remaining unpaid shall
2 be paid annually out of the fund, except as herein otherwise
3 provided.

4 (c) Moneys in the fund advanced under subdivision
5 (b) shall be available only for expenditures for construction
6 and the payment of interest, during construction, upon the
7 amounts so advanced. No expenditures out of the fund shall
8 be made for operation and maintenance except from appro-
9 priations therefor.

10 (d) The Secretary of the Treasury shall charge the
11 fund as of June 30 in each year with such amount as may
12 be necessary for the payment of interest on advances made
13 under subdivision (b) at the rate of 4 per centum per annum
14 accrued during the year upon the amounts so advanced and
15 remaining unpaid, except that if the fund is insufficient to
16 meet the payment of interest the Secretary of the Treasury
17 may, in his discretion, defer any part of such payment, and
18 the amount so deferred shall bear interest at the rate of 4
19 per centum per annum until paid.

20 (e) The Secretary of the Interior shall certify to the
21 Secretary of the Treasury, at the close of each fiscal year,
22 the amount of money in the fund in excess of the amount
23 necessary for construction, operation, and maintenance, and
24 payment of interest. Upon receipt of each such certificate
25 the Secretary of the Treasury is authorized and directed to

1 charge the fund with the amount so certified as repayment
2 of the advances made under subdivision (b), which amount
3 shall be covered into the Treasury to the credit of miscel-
4 laneous receipts.

5 SEC. 3. There is hereby authorized to be appropriated
6 from time to time, out of any money in the Treasury not
7 otherwise appropriated, such sums of money as may be
8 necessary to carry out the purposes of this Act, not exceed-
9 ing in the aggregate \$165,000,000.

10 SEC. 4 (a). This Act shall not take effect and no
11 authority shall be exercised hereunder and no work shall
12 be begun and no moneys expended on or in connection with
13 the works or structures provided for in this Act, and no
14 water rights shall be claimed or initiated hereunder, and no
15 steps shall be taken by the United States or by others to
16 initiate or perfect any claims to the use of water pertinent to
17 such works or structures unless and until (1) the States
18 of Arizona, California, Colorado, Nevada, New Mexico,
19 Utah, and Wyoming shall have ratified the Colorado River
20 compact, mentioned in section 12 hereof, and the President
21 by public proclamation shall have so declared, or (2) if said
22 States fail to ratify the said compact within six months from
23 the date of the passage of this Act then, until six of said
24 States, including the State of California, shall ratify said
25 compact and shall consent to waive the provisions of the

1 first paragraph of Article XI of said compact, which makes
 2 the same binding and obligatory only when approved by
 3 each of the seven States signatory thereto, and shall have
 4 approved said compact without conditions, save that of such
 5 six-State approval, and the President by public proclama-
 6 tion shall have so declared, and, further, until the State of
 7 California, by act of its legislature, shall agree irrevocably
 8 and unconditionally with the United States and for the benefit
 9 of the States of Arizona, Colorado, Nevada, New Mexico,
 10 Utah, and Wyoming, as an express covenant and in con-
 11 sideration of the passage of this Act, that the aggregate annual
 12 consumptive use (diversions less returns to the river) of
 13 water of and from the Colorado River for use in the State
 14 of California, including all uses under contracts made under
 15 the provisions of this Act and all water necessary for the
 16 supply of any rights which may now exist, shall not exceed
 17 four million four hundred thousand acre-feet of the waters
 18 apportioned to the lower basin States by paragraph a of
 19 Article III of the Colorado River compact, plus not more than
 20 one-half of any excess or surplus waters unapportioned by
 21 said compact, such uses always to be subject to the terms of
 22 said compact.

23 The States of Arizona, California, and Nevada are
 24 authorized to enter into an agreement which shall provide
 25 (1) that of the 7,500,000 acre-feet annually apportioned to

1 the lower basin by paragraph (a) of Article III of the Colo-
2 rado River compact, there shall be apportioned to the State
3 of Nevada 300,000 acre-feet and to the State of Arizona
4 2,800,000 acre-feet for exclusive beneficial consumptive use
5 in perpetuity, and (2) that the State of Arizona may
6 annually use one-half of the excess or surplus waters
7 unapportioned by the Colorado River compact, and (3) that
8 the State of Arizona shall have the exclusive beneficial con-
9 sumptive use of the Gila River and its tributaries within the
10 boundaries of said State, and (4) that the waters of the Gila
11 River and its tributaries, except return flow after the same
12 enters the Colorado River, shall never be subject to any
13 diminution whatever by any allowance of water which may
14 be made by treaty or otherwise to the United States of
15 Mexico but if, as provided in paragraph (c) of Article III
16 of the Colorado River compact, it shall become necessary
17 to supply water to the United States of Mexico from waters
18 over and above the quantities which are surplus as defined
19 by said compact, then the State of California shall and will
20 mutually agree with the State of Arizona to supply, out
21 of the main stream of the Colorado River, one-half of any
22 deficiency which must be supplied to Mexico by the lower
23 basin, and (5) that the State of California shall and will
24 further mutually agree with the States of Arizona and
25 Nevada that none of said three States shall withhold water

1 and none shall require the delivery of water, which can not
2 reasonably be applied to domestic and agricultural uses, and
3 (6) that all of the provisions of said tri-State agreement
4 shall be subject in all particulars to the provisions of the
5 Colorado River compact, and (7) said agreement to take
6 effect upon the ratification of the Colorado River compact
7 by Arizona, California, and Nevada.

8 (b) Before any money is appropriated for the construc-
9 tion of said dam or power plant, or any construction work
10 done or contracted for, the Secretary of the Interior shall
11 make provision for revenues by contract, in accordance with
12 the provisions of this Act, adequate in his judgment to insure
13 payment of all expenses of operation and maintenance of
14 said works incurred by the United States and the repayment,
15 within fifty years from the date of the completion of said
16 works, of all amounts advanced to the fund under sub-
17 division (b) of section 2 for such works, together with
18 interest thereon made reimbursable under this Act.

19 Before any money is appropriated for the construction
20 of said main canal and appurtenant structures to connect
21 the Laguna Dam with the Imperial and Coachella Valleys
22 in California, or any construction work is done upon said
23 canal or contracted for, the Secretary of the Interior shall
24 make provision for revenues, by contract or otherwise, ade-
25 quate in his judgment to insure payment of all expenses of

1 construction, operation, and maintenance of said main canal
2 and appurtenant structures in the manner provided in the
3 reclamation law.

4 If during the period of amortization the Secretary of
5 the Interior shall receive revenues in excess of the amount
6 necessary to meet the periodical payments to the United
7 States as provided in the contract, or contracts, executed
8 under this Act, then, immediately after the settlement of such
9 periodical payments, he shall pay to the State of Arizona
10 $18\frac{3}{4}$ per centum of such excess revenues and to the State of
11 Nevada $18\frac{3}{4}$ per centum of such excess revenues.

12 SEC. 5. That the Secretary of the Interior is hereby
13 authorized, under such general regulations as he may pre-
14 scribe, to contract for the storage of water in said reservoir
15 and for the delivery thereof at such points on the river and
16 on said canal as may be agreed upon, for irrigation and
17 domestic uses, and generation of electrical energy and
18 delivery at the switchboard to States, municipal corpora-
19 tions, political subdivisions, and private corporations of
20 electrical energy generated at said dam, upon charges that
21 will provide revenue which, in addition to other revenue
22 accruing under the reclamation law and under this Act, will
23 in his judgment cover all expenses of operation and main-
24 tenance incurred by the United States on account of works
25 constructed under this Act and the payments to the United

1 States under subdivision (b) of section 4. Contracts respect-
 2 ing water for irrigation and domestic uses shall be for
 3 permanent service and shall conform to paragraph (a) of
 4 section 4 of this Act. No person shall have or be entitled
 5 to have the use for any purpose of the water stored as afore-
 6 said except by contract made as herein stated.

7 After the repayments to the United States of all money
 8 advanced with interest charges shall be on such basis and
 9 the revenues derived therefrom shall be kept in a separate
 10 fund to be expended within the Colorado River Basin as may
 11 hereafter be prescribed by the Congress.

12 General and uniform regulations shall be prescribed
 13 by the said Secretary for the awarding of contracts for the
 14 sale and delivery of electrical energy, and for renewals
 15 under subdivision (b) of this section, and in making such
 16 contracts the following shall govern:

17 (a) No contract for electrical energy or for generation
 18 of electrical energy shall be of longer duration than fifty
 19 years from the date at which such energy is ready for
 20 delivery.

21 Contracts made pursuant to subdivision (a) of this
 22 section shall be made with a view to obtaining reasonable
 23 returns and shall contain provisions whereby at the end of
 24 fifteen years from the date of their execution and every ten
 25 years thereafter, there shall be readjustment of the contract,

1 upon the demand of either party thereto, either upward or
2 downward as to price, as the Secretary of the Interior may find
3 to be justified by competitive conditions at distributing points
4 or competitive centers, and with provisions under which
5 disputes or disagreements as to interpretation or performance
6 of such contract shall be determined either by arbitration or
7 court proceedings, the Secretary of the Interior being author-
8 ized to act for the United States in such readjustments or
9 proceedings.

10 (b) The holder of any contract for electrical energy
11 not in default thereunder shall be entitled to a renewal thereof
12 upon such terms and conditions as may be authorized or
13 required under the then existing laws and regulations, unless
14 the property of such holder dependent for its usefulness on
15 a continuation of the contract be purchased or acquired and
16 such holder be compensated for damages to its property, used
17 and useful in the transmission and distribution of such elec-
18 trical energy and not taken, resulting from the termination
19 of the supply.

20 (c) Contracts for the use of water and necessary privi-
21 leges for the generation and distribution of hydroelectric
22 energy or for the sale and delivery of electrical energy shall
23 be made with responsible applicants therefor who will pay
24 the price fixed by the said Secretary with a view to meet-
25 ing the revenue requirements herein provided for. In case

1 of conflicting applications, if any, such conflicts shall be re-
2 solved by the said Secretary, after hearing, with due regard
3 to the public interest, and in conformity with the policy
4 expressed in the Federal Water Power Act as to conflicting
5 applications for permits and licenses, except that preference
6 to applicants for the use of water and appurtenant works
7 and privileges necessary for the generation and distribution
8 of hydroelectric energy, or for delivery at the switchboard
9 of a hydroelectric plant, shall be given, first, to a State for
10 the generation or purchase of electric energy for use in the
11 State, and the States of Arizona, California, and Nevada
12 shall be given equal opportunity as such applicants.

13 The rights covered by such preference shall be con-
14 tracted for by such State within six months after notice by
15 the Secretary of the Interior and to be paid for on the same
16 terms and conditions as may be provided in other similar
17 contracts made by said Secretary: Provided, however, That
18 no application of a State or a political subdivision for an
19 allocation of water for power purposes or of electrical energy
20 shall be denied or another application in conflict therewith
21 be granted on the ground that the bond issue of such State
22 or political subdivision, necessary to enable the applicant
23 to utilize such water and appurtenant works and privileges
24 necessary for the generation and distribution of hydroelectric

1 energy or the electrical energy applied for, has not been
2 authorized or marketed, until after a reasonable time, to
3 be determined by the said Secretary, has been given to such
4 applicant to have such bond issue authorized and marketed.

5 (d) Any agency receiving a contract for electrical
6 energy equivalent to one hundred thousand firm horsepower,
7 or more, may, when deemed feasible by the said Secretary,
8 from engineering and economic considerations and under
9 general regulations prescribed by him, be required to permit
10 any other agency having contracts hereunder for less
11 than the equivalent of twenty-five thousand firm horse-
12 power, upon application to the Secretary of the Interior made
13 within sixty days from the execution of the contract of the
14 agency the use of whose transmission line is applied for,
15 to participate in the benefits and use of any main trans-
16 mission line constructed or to be constructed by the former
17 for carrying such energy (not exceeding, however, one-
18 fourth the capacity of such line), upon payment by such
19 other agencies of a reasonable share of the cost of con-
20 struction, operation, and maintenance thereof.

21 The use is hereby authorized of such public and reserved
22 lands of the United States as may be necessary or convenient
23 for the construction, operation, and maintenance of main
24 transmission lines to transmit said electrical energy.

1 *SEC. 6. That the dam and reservoir provided for by*
2 *section 1 hereof shall be used; First, for river regulation,*
3 *improvement of navigation, and flood control; second, for*
4 *irrigation and domestic uses and satisfaction of present per-*
5 *fect rights in pursuance of Article VIII of said Colorado*
6 *River compact; and third, for power. The title to said dam,*
7 *reservoir, plant, and incidental works shall forever remain*
8 *in the United States, and the United States shall, until*
9 *otherwise provided by Congress, control, manage, and*
10 *operate the same, except as herein otherwise provided: Pro-*
11 *vided, however, That the Secretary of the Interior may, in his*
12 *discretion, enter into contracts of lease of a unit or units of*
13 *any Government-built plant, with right to generate elec-*
14 *trical energy, or, alternatively, to enter into contracts of*
15 *lease for the use of water for the generation of electrical*
16 *energy as herein provided, in either of which events the*
17 *provisions of section 5 of this Act relating to revenue, term,*
18 *renewals, determination of conflicting applications, and joint*
19 *use of transmission lines under contracts for the sale of elec-*
20 *trical energy, shall apply.*

21 *The Secretary of the Interior shall prescribe and enforce*
22 *rules and regulations conforming with the requirements of*
23 *the Federal Water Power Act, so far as applicable, respect-*
24 *ing maintenance of works in condition of repair adequate for*

1 *their efficient operation, maintenance of a system of account-*
2 *ing, control of rates and service in the absence of State*
3 *regulation or interstate agreement, valuation for rate-making*
4 *purposes, transfers of contracts contracts extending beyond*
5 *the lease period, expropriation of excessive profits, recapture*
6 *and/or emergency use by the United States of property of*
7 *lessees, and penalties for enforcing regulations made under*
8 *this Act or penalizing failure to comply with such regulations*
9 *or with the provisions of this Act. He shall also conform*
10 *with other provisions of the Federal Water Power Act and*
11 *of the rules and regulations of the Federal Power Com-*
12 *mission, which have been devised or which may be hereafter*
13 *devised, for the protection of the investor and consumer.*

14 *The Federal Power Commission is hereby directed not*
15 *to issue or approve any permits or licenses under said Federal*
16 *Water Power Act upon or affecting the Colorado River or*
17 *any of its tributaries, except the Gila River, in the States*
18 *of Colorado, Wyoming, Utah, New Mexico, Nevada, Ari-*
19 *zona, and California until this Act shall become effective as*
20 *provided in section 4 herein.*

21 *SEC. 7. That the Secretary of the Interior may, in his*
22 *discretion, when repayments to the United States of all*
23 *money advanced, with interest, reimbursable hereunder, shall*
24 *have been made, transfer the title to said canal and appur-*
25 *tenant structures, except the Laguna Dam and the main*

1 canal and appurtenant structures down to and including
2 Syphon Drop, to the districts or other agencies of the United
3 States having a beneficial interest therein in proportion
4 to their respective capital investments under such form
5 of organization as may be acceptable to him. The said dis-
6 tricts or other agencies shall have the privilege at any time
7 of utilizing by contract or otherwise such power possibilities
8 as may exist upon said canal, in proportion to their respective
9 contributions or obligations toward the capital cost of said
10 canal and appurtenant structures from and including the
11 diversion works to the point where each respective power
12 plant may be located. The net proceeds from any power
13 development on said canal shall be paid into the fund and
14 credited to said districts or other agencies on their said con-
15 tracts, in proportion to their rights to develop power, until
16 the districts or other agencies using said canal shall have paid
17 thereby and under any contract or otherwise an amount of
18 money equivalent to the operation and maintenance expense
19 and cost of construction thereof.

20 SEC. 8. (a) The United States, its permittees, licensees,
21 and contractees, and all users and appropriators of water
22 stored, diverted, carried, and/or distributed by the reservoir,
23 canals, and other works herein authorized, shall observe and
24 be subject to and controlled by said Colorado River compact
25 in the construction, management, and operation of said

1 reservoir, canals, and other works and the storage, diversion,
2 delivery, and use of water for the generation of power,
3 irrigation, and other purposes, anything in this Act to the
4 contrary notwithstanding, and all permits, licenses, and con-
5 tracts shall so provide.

6 (b) Also the United States, in constructing, manag-
7 ing, and operating the dam, reservoir, canals, and other
8 works herein authorized, including the appropriation,
9 delivery, and use of water for the generation of power
10 irrigation, or other uses, and all users of water thus deliv-
11 ered and all users and appropriators of waters stored by
12 said reservoir and/or carried by said canal, including all
13 permittees and licensees of the United States or any of its
14 agencies, shall observe and be subject to and controlled, any-
15 thing to the contrary herein notwithstanding, by the terms
16 of such compact, if any, between the States of Arizona,
17 California, and Nevada, or any two thereof, for the equitable
18 division of the benefits, including power, arising from the use
19 of water accruing to said States, subsidiary to and consistent
20 with said Colorado River compact, which may be negotiated
21 and approved by said States and to which Congress shall
22 give its consent and approval on or before January
23 1, 1929; and the terms of any such compact concluded
24 between said States and approved and consented to by
25 Congress after said date: Provided, That in the latter case

1 such compact shall be subject to all contracts, if any, made
2 by the Secretary of the Interior under section 5 hereof prior
3 to the date of such approval and consent by Congress.

4 *SEC. 9.* That all lands of the United States found by
5 the Secretary of the Interior to be practicable of irrigation
6 and reclamation by the irrigation works authorized herein
7 shall be withdrawn from public entry. Thereafter, at the
8 direction of the Secretary of the Interior, such lands shall be
9 opened for entry, in tracts varying in size but not exceeding
10 one hundred and sixty acres, as may be determined by the
11 Secretary of the Interior, in accordance with the provisions
12 of the reclamation law, and any such entryman shall pay an
13 equitable share in accordance with the benefits received, as
14 determined by the said Secretary, of the construction cost of
15 said canal and appurtenant structures; said payments to be
16 made in such installments and at such times as may be speci-
17 fied by the Secretary of the Interior, in accordance with the
18 provisions of the said reclamation law, and shall constitute
19 revenue from said project and be covered into the fund herein
20 provided for: Provided, That all persons who have served
21 in the United States Army, Navy, or Marine Corps during
22 the war with Germany, the war with Spain, or in the sup-
23 pression of the insurrection in the Philippines, and who have
24 been honorably separated or discharged therefrom or placed
25 in the Regular Army or Navy Reserve, shall have the exclu-

1 sive preference right for a period of three months to enter
2 said lands, subject, however, to the provisions of subsection
3 (c) of section 4, Act of December 5, 1924 (Forty-third
4 Statutes at Large, page 702); and also, so far as practicable,
5 preference shall be given to said persons in all construction
6 work authorized by this Act: Provided further, That in the
7 event such an entry shall be relinquished at any time prior
8 to actual residence upon the land by the entryman for not
9 less than one year, lands so relinquished shall not be subject
10 to entry for a period of sixty days after the filing and nota-
11 tion of the relinquishment in the local land office, and after
12 the expiration of said sixty-day period such lands shall be
13 open to entry, subject to the preference in this section pro-
14 vided.

15 SEC. 10. That nothing in this Act shall be construed
16 as modifying in any manner the existing contract, dated
17 October 23, 1918, between the United States and the Im-
18 perial Irrigation District, providing for a connection with
19 Laguna Dam; but the Secretary of the Interior is authorized
20 to enter into contract or contracts with the said district or other
21 districts, persons, or agencies for the construction, in accord-
22 ance with this Act, of said canal and appurtenant structures,
23 and also for the operation and maintenance thereof, with the
24 consent of the other users,

1 *SEC. 11. That the Secretary of the Interior is hereby*
2 *authorized to make such studies, surveys, investigations, and*
3 *do such engineering as may be necessary to determine the*
4 *lands in the State of Arizona that should be embraced within*
5 *the boundaries of a reclamation project, heretofore commonly*
6 *known and hereafter to be known as the Parker-Gila Valley*
7 *reclamation project, and to recommend the most practicable*
8 *and feasible method of irrigating lands within said project,*
9 *or units thereof, and the cost of the same; and the appropria-*
10 *tion of such sums of money as may be necessary for the afore-*
11 *said purposes from time to time is hereby authorized. The*
12 *Secretary shall report to Congress as soon as practicable,*
13 *and not later than December 10, 1931, his findings, con-*
14 *clusions, and recommendations regarding such project.*

15 *SEC. 12. "Political subdivision" or "political sub-*
16 *divisions" as used in this Act shall be understood to include*
17 *any State, irrigation or other district, municipality, or other*
18 *governmental organization.*

19 *"Reclamation law" as used in this Act shall be under-*
20 *stood to mean that certain Act of the Congress of the United*
21 *States approved June 17, 1902, entitled "An Act appro-*
22 *priating the receipts from the sale and disposal of public land*
23 *in certain States and Territories to the construction of irri-*
24 *gation works for the reclamation of arid lands," and the*
25 *Acts amendatory thereof and supplemental thereto.*

1 "Maintenance" as used herein shall be deemed to
 2 include in each instance provision for keeping the works
 3 in good operating condition.

4 "The Federal Water Power Act," as used in this Act,
 5 shall be understood to mean that certain Act of Congress of
 6 the United States approved June 10, 1920, entitled "An Act
 7 to create a Federal Power Commission; to provide for the
 8 improvement of navigation; the development of water power;
 9 the use of the public lands in relation thereto; and to repeal
 10 section 18 of the River and Harbor Appropriation Act,
 11 approved August 8, 1917, and for other purposes," and the
 12 Acts amendatory thereof and supplemental thereto.

13 "Domestic" whenever employed in this Act shall
 14 include water uses defined as "domestic" in said Colorado
 15 River compact.

16 SEC. 13. (a) The Colorado River compact signed at
 17 Santa Fe, New Mexico, November 24, 1922, pursuant to
 18 Act of Congress approved August 19, 1921, entitled "An
 19 Act to permit a compact or agreement between the States
 20 of Arizona, California, Colorado, Nevada, New Mexico,
 21 Utah, and Wyoming respecting the disposition and appor-
 22 tionment of the waters of the Colorado River, and for other
 23 purposes," is hereby approved by the Congress of the United
 24 States, and the provisions of the first paragraph of article 11
 25 of the said Colorado River compact, making said compact

1 binding and obligatory when it shall have been approved
2 by the legislature of each of the signatory States, are hereby
3 waived, and this approval shall become effective when the
4 State of California and at least five of the other States men-
5 tioned, shall have approved or may hereafter approve said
6 compact as aforesaid and shall consent to such waiver, as
7 herein provided.

8 (b) The rights of the United States in or to waters
9 of the Colorado River and its tributaries howsoever claimed
10 or acquired, as well as the rights of those claiming under
11 the United States, shall be subject to and controlled by said
12 Colorado River compact.

13 (c) Also all patents, grants, contracts, concessions,
14 leases, permits, licenses, rights of way, or other privileges
15 from the United States or under its authority, necessary or
16 convenient for the use of waters of the Colorado River or
17 its tributaries, or for the generation or transmission of elec-
18 trical energy generated by means of the waters of said
19 river or its tributaries, whether under this Act, the Federal
20 Water Power Act, or otherwise, shall be upon the express
21 condition and with the express covenant that the rights of
22 the recipients or holders thereof to waters of the river or
23 its tributaries, for the use of which the same are necessary,
24 convenient, or incidental, and the use of the same shall like-

1 wise be subject to and controlled by said Colorado River
2 compact.

3 (d) The conditions and covenants referred to herein
4 shall be deemed to run with the land and the right, interest,
5 or privilege therein and water right, and shall attach as a
6 matter of law, whether set out or referred to in the instru-
7 ment evidencing any such patent, grant, contract, concession,
8 lease, permit, license, right of way, or other privilege from
9 the United States or under its authority, or not, and shall
10 be deemed to be for the benefit of and be available to the
11 States of Arizona, California, Colorado, Nevada, New
12 Mexico, Utah, and Wyoming, and the users of water therein
13 or thereunder, by way of suit, defense, or otherwise, in
14 any litigation respecting the waters of the Colorado River
15 or its tributaries.

16 SEC. 14. This Act shall be deemed a supplement to the
17 reclamation law, which said reclamation law shall govern
18 the construction, operation, and management of the works
19 herein authorized, except as otherwise herein provided.

20 SEC. 15. The Secretary of the Interior is authorized
21 and directed to make investigation and public reports of the
22 feasibility of projects for irrigation, generation of electric
23 power, and other purposes in the States of Arizona, Nevada,
24 Colorado, New Mexico, Utah, and Wyoming for the purpose
25 of making such information available to said States and to

1 the Congress, and of formulating a comprehensive scheme of
2 control and the improvement and utilization of the water of
3 the Colorado River and its tributaries. The sum of \$250-
4 000 is hereby authorized to be appropriated from said Colo-
5 rado River Dam fund, created by section 2 of this Act, for
6 such purposes.

7 SEC. 16. In furtherance of any comprehensive plan
8 formulated hereafter for the control, improvement, and utili-
9 zation of the resources of the Colorado River system and to
10 the end that the project authorized by this Act may constitute
11 and be administered as a unit in such control, improvement,
12 and utilization, any commission or commissioner duly author-
13 ized under the laws of any ratifying State in that behalf shall
14 have the right to act in an advisory capacity to and in coop-
15 eration with the Secretary of the Interior in the exercise of
16 any authority under the provisions of sections 4, 5, and 14
17 of this Act, and shall have at all times access to records of
18 all Federal agencies empowered to act under said sections,
19 and shall be entitled to have copies of said records on request.

20 SEC. 17. Claims of the United States arising out of any
21 contract authorized by this Act shall have priority over all
22 others, secured or unsecured.

23 SEC. 18. Nothing herein shall be construed as inter-
24 fering with such rights as the States now have either to the
25 waters within their borders or to adopt such policies and

1 enact such laws as they may deem necessary with respect
2 to the appropriation, control, and use of waters within their
3 borders, except as modified by the Colorado River compact
4 or other interstate agreement.

5 *SEC. 19. That the consent of Congress is hereby given*
6 *to the States of Arizona, California, Colorado, Nevada, New*
7 *Mexico, Utah, and Wyoming to negotiate and enter into*
8 *compacts or agreements, supplemental to and in conformity*
9 *with the Colorado River compact and consistent with this*
10 *Act for a comprehensive plan for the development of the*
11 *Colorado River and providing for the storage, diversion, and*
12 *use of the waters of said river. Any such compact or agree-*
13 *ment may provide for the construction of dams, headworks,*
14 *and other diversion works or structures for flood control,*
15 *reclamation, improvement of navigation, division of water,*
16 *or other purposes and/or the construction of power houses*
17 *or other structures for the purpose of the development of*
18 *water power and the financing of the same; and for such*
19 *purposes may authorize the creation of interstate commis-*
20 *sions and/or the creation of corporations, authorities, or other*
21 *instrumentalities.*

22 *(a) Such consent is given upon condition that a*
23 *representative of the United States, to be appointed by the*
24 *President, shall participate in the negotiations and shall*

1 make report to Congress of the proceedings and of any com-
2 pact or agreement entered into.

3 (b) No such compact or agreement shall be binding
4 or obligatory upon any of such States unless and until it has
5 been approved by the legislature of each of such States and
6 by the Congress of the United States.

7 SEC. 20. Nothing in this Act shall be construed as a
8 denial or recognition of any rights, if any, in Mexico to the
9 use of the waters of the Colorado River system.

10 SEC. 21. That the short title of this Act shall be
11 "Boulder Canyon Project Act."

Amend the title so as to read: "An Act to provide for
the construction of works for the protection and develop-
ment of the Colorado River Basin, for the approval of the
Colorado River compact, and for other purposes."

Passed the House of Representatives May 25, 1928.

Attest:

WM. TYLER PAGE,

Clerk.

Passed the Senate with amendment December 13
(calendar day, December 14), 1928.

Attest:

EDWIN P. THAYER,

Secretary.

AN ACT

To provide for the construction of works for the protection and development of the lower Colorado River Basin, for the approval of the Colorado River compact, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 1928

Ordered to be printed with the amendment of the Senate

EDWIN P. THAYER