Beckcom, Henry R., 61119.
Bigbie, John D., 59485.
Collins, James F., 76252.
Debacher, Sherman M., 29481.
Dehan, Edward T., 29416.
Dibble, Arthur E., 32575.
Dickson, Donald W., 69743.
Dubois Berton L., 31912.
Duncan, Elmer T., 25483.
Fleming, Lamdyne H., 51570.
Greenwood, Vern R., 49703.
Hayes, Robert W., 25702.
Keefer, William L., Jr., 26389.
Lamberi, Kenneth J., 51354.
Leonardi, Richard L., 76370.
Linthicum, Arthur T., 29482.
Miller, Edward F., 26390.
Nease, William J., 32573.
Poorter, Karl K., Jr., 49701.
Rhoades, John C., 29417.
Robinson, Lucius L., 59558.
Salimeno, Thomas, Jr., 29866.
Scott, Robert H., 55872.
Staerkel, Russell F. P., 51353.
Stanton, Daniel B., 25486.
Stephens, Belton S., 27997.
Walters, Robert C., 55774.
Williams, Donald E., 55773.
Wright, William G., 27650.

MEDICAL CORPS

Atkinson, Roy J., 76224.
Baker, Robert W., 25655.
Brewer, Samuel J., 55761.
Connolly, John M., 26373.
Draper, David H., 26861.
Goodnow, Robert W., 79616.
Grissom, Paul M., 25474.
Hatfield, Theodore R., 27597.
Haycraft, Rexford G., 27647.
Kratochvil, Clyde H., 25663.
Mahaffly, Gerald H., 26369.
Newton, Dwight E., 26699.
Ord, John W., 25701.
Partyka, Leo C., 25479.
Smith, George B., Jr., 29476.
Stone, Frederic A., 27652.
Unger, Howard R., 29809.
Waters, Raymond O., 26385.
Willis, Henry S. K., Jr., 27605.

NURSE CORPS

Cavil, Dorothy J., 32440.
Chandler, Glenna L., 21884.
Collier, M. Irene G., 25753.
Geringer, June H., 59731.
Hinds, Effie B., 49713.
Holt, Virginia J., 59730.
Kennedy, Elizabeth M., 21713.
O'Neil, Mary C., 21017.
Sears, Virginia L., 49714.
Tonne, Mary A., 51365.

MEDICAL SERVICE CORPS

Dillehay, Joseph R., 48957.
Haas, Raymond D., 24241.
Herberholt, Vincent W., 48982.
Holland, James H., 48993.
Horne, James E., 48990.
Hutson, Robert W., 48984.
Kopas, Joseph F., 48981.
Lindsay, Eugene K., 24236.
Metcalf, Robert D., 25681.
Morgan, Fred B., Jr., 21643.
Richardson, Floyd G., 21632.
Strong, Alhon B., 48986.
Weeks, Edgar, 48994.

VETERINARY CORPS

Crandell, Robert A., 24229.
Douglas, Jack D., 25331.
Houk, Donald C., 24228.
Howells, William V., 25672.
Mosely, John D., 27529.
Nold, Max M., 23597.
Phelps, Gene C., 24330.
Shuler, James M., 25673.
Terry, John L., Jr., 24232.
Watson, William H., Jr., 25334.
Young, Robert J., 24227.

BIOMEDICAL SCIENCES CORPS

Bitter, Harold L., 49024.
Deming, Elsie L., 20901.
Ezell, Manie J., 48983.
Jean, Jack V., 40209.
Kaplan, William, 48976.
Lappin, Paul W., 55330.
McKenzie, Richard E., 48985.
Sparling, Kenneth G., 21881.
Vodopic, Mary A., 59987.

HOUSE OF REPRESENTATIVES—*Wednesday, May 15, 1968*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

It is God who is at work within you, giving you the will and the power to achieve His purpose.—Philippians 2: 13 (Phillips).

Our Father in Heaven, we thank Thee for this sacred minute when we unite our hearts in prayer unto Thee, when for a moment we pause in Thy presence seeking guidance and strength from Thy hand.

Let not the beauty of the earth, nor the glory of the skies, nor the love which surrounds us daily blind us to the needs of the needy and the poverty of the poor. Make us so dissatisfied with large professions and little practices, with fine words and feeble works, with smiling faces and sour faiths that we now pray earnestly for the renewal of a right and a good spirit within us.

Speak Thou to us, O Lord, and may we hear Thy voice, and hearing it harken to it, and harkening to it heed it, for the glory of Thy name, the good of our Nation, and the greatness of this House of Representatives. In the Master's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Bradley, one of its clerks, announced that the Senate had passed, with amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 15190. An act to amend sections 3 and 4 of the act approved September 22, 1964 (78 Stat. 990), providing for an investigation and study to determine a site for the construction of a sea-level canal connecting the Atlantic and Pacific Oceans.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 68. An act for the relief of Dr. Noel O. Gonzalez;

S. 107. An act for the relief of Cita Rita Leola Ines; and

S. 2248. An act for the relief of Dr. Jose Fuentes Roca.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 758. An act to amend the Interstate Commerce Act to enable the Interstate Commerce Commission to utilize its employees more effectively and to improve administrative efficiency; and

S. 3159. An act authorizing the Trustees of the National Gallery of Art to construct a building or buildings on the site bounded by Fourth Street, Pennsylvania Avenue, Third Street, and Madison Drive NW., in the District of Columbia, and making provision for the maintenance thereof.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE PRIVILEGED REPORT ON DEPARTMENT OF INTERIOR AND RELATED AGENCIES APPROPRIATIONS, 1969, UNTIL MIDNIGHT MAY 16

Mrs. HANSEN of Washington. Mr. Speaker, the Committee on Appropriations plans to report the Interior appropriation bill tomorrow

I ask unanimous consent that the Committee on Appropriations have until midnight, May 16, 1968, to file a privileged report on the Department of Interior and related agencies appropriation bill for fiscal year 1969.

Mr. McDADE reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

POOR PEOPLE'S MARCH ON WASHINGTON

Mr. FARBSTEIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FARBSTEIN. Mr. Speaker, I would like to welcome the Poor People's March on Washington to the Nation's Capitol. I applaud its leaders for exercising their constitutional rights of petition, for expressing their grievances eloquently but nonviolently. I trust that violent revolutionaries will not exploit the peaceful protests of the marchers by provoking disorder. I implore my colleagues in Congress, Mr. Speaker, to take the message of the Poor People's March to heart—for this is a country in which there should not be poverty, nor racial injustice. This Nation is too great and too affluent for us not to feed the hungry, clothe the naked, and house the homeless—in short to take care of the poor in our land.

ANOTHER MERCHANT KILLED IN WASHINGTON

Mr. ROGERS of Florida. Mr. Speaker, I ask unanimous consent to address the

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, yesterday another merchant was killed in his store in the Nation's Capital—the fourth such killing in this area in 15 days.

The Mayor is quoted as being critical of the merchants associations which have taken ads in the local newspapers to call for increased protection. The Public Safety Director says the increase in crime this year is about the same as the increase last year—not that that is very reassuring, when it means that 894 major crimes are committed each week.

Yet neither the Mayor nor the Public Safety Director has announced any forceful plan to bring law and order to the city of Washington.

There were 122 cases of arson and suspected arson in Washington in April—not counting the 488 cases associated with the April 4–8 riot period. There were 85 such cases during January, February, and March, before the riot. The May figure will undoubtedly be large judging from the cases reported daily in the press.

The crime rate in Washington shows a 27.4-percent increase for March 1968 over March 1967, the month before the riot. Robbery increased 46 percent, burglary 30.6 percent. And these figures are for "major" crimes only, and do not even include arson or looting or vandalism.

I am now informed that policemen already overworked trying to combat crime are being detached from precincts around the city to help handle the problems resulting from the March on Washington. The effect of this deployment of manpower on crime can only be guessed.

Law and order must be restored in Washington—now. If the Mayor or Public Safety Director wish to call a 40-percent increase in robbery "normal," it is but further proof of the need for a change at city hall.

PROVIDING FOR CONSIDERATION OF H.R. 3300, COLORADO RIVER BASIN PROJECT

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1162 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1162

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3300) to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in the bill, and such substitute shall be considered under the five-minute rule as an original bill and read by titles instead of by sections. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions. After the passage of H.R. 3300, the Committee on Interior and Insular Affairs shall be discharged from the further consideration of the bill S. 1004, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and to insert in lieu thereof the provisions contained in H.R. 3300 as passed by the House.

CALL OF THE HOUSE

Mr. FARBSTEIN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 139]

Ashley	Gurney	Olsen
Blatnik	Halleck	O'Neill, Mass.
Button	Hardy	Pool
Carter	Hébert	Purcell
Clark	Herlong	Randall
Collier	Holland	Resnick
Davis, Ga.	Karsten	Rosenthal
Derwinski	Kee	Selden
Dorn	Kelly	Teague, Tex.
Flood	Kluczynski	Tenzer
Fraser	Mailliard	Wilson, Charles H.
Frelinghuysen	Montgomery	Young
Griffin	Moore	
Gubser	Morse, Mass.	

The SPEAKER. On this rollcall 392 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Geisler, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 11, 1968:

H.R. 2434. An act for the relief of Nora Austin Hendrickson.

On May 13, 1968:

H.R. 13176. An act to amend the acts of February 1, 1826, and February 20, 1833, to authorize the State of Ohio to use the proceeds from the sale of certain lands for educational purposes.

AMENDMENT OF TITLE OF S. 2986, TO EXTEND PUBLIC LAW 480

Mr. POAGE. Mr. Speaker, I ask unanimous consent that in the engrossment of the amendment to the Senate bill (S. 2986) to extend Public Law 480, 83d Congress, to which the House agreed yesterday, that the Clerk of the House be authorized and directed to make a conforming amendment to the title of the bill. The title of the Senate bill provided for a 3-year extension of the law, but the House only extended the law until December 31, 1969.

The title should be amended to read as follows: "To extend the Agricultural Trade and Assistance Act of 1954, as amended, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, that means then specifically that it is limited to 1 year?

Mr. POAGE. That is right; it just gets it in the title.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROVIDING FOR CONSIDERATION OF H.R. 3300, COLORADO RIVER BASIN PROJECT

The SPEAKER. The gentleman from California, Mr. SISK, is recognized for 1 hour.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentleman from California [Mr. SMITH] and pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1162 provides an open rule, waiving points of order, with 4 hours of general debate for consideration of H.R. 3300 authorizing funds for the Colorado River Basin project. The resolution also provides that it shall be in order to consider the committee substitute as an original bill for the purpose of amendment. After passage of H.R. 3300, the Committee on Interior and Insular Affairs shall be discharged from further consideration of S. 1004 and it shall be in order to move to strike out all after the enacting clause of the Senate bill and amend it with the House-passed language. The waiver of points of order was granted due to a transfer of funds in the bill—page 73, beginning on line 25, section 403(c)(2).

H.R. 3300 provides for regional and westwide water resources planning to remedy the present and prospective critical water situation in the Pacific Southwest, including the the entire Colorado River Basin. The Secretary of the Interior, working under general criteria to be established by the Water Resources Council and in consultation with the affected States, is required to conduct westwide studies to determine how and where to get additional water supplies for use in the Colorado River Basin and to develop a plan for meeting not only present Colorado River water commitments but future water needs throughout the basin as well. However, he is forbidden to recommend importation from areas of surplus without the approval of the States affected.

Mr. Speaker, I urge the adoption of

House Resolution 1162 in order that H.R. 3300 may be considered.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. SISK. I will be happy to yield to the gentleman from Missouri.

Mr. HALL. Mr. Speaker, do we understand from the statement made by the gentleman—and we compliment him on bringing to the Members of the House the reason for the waiving of points of order in the wisdom of the Committee on Rules—that this is the only place in the bill, in the entire bill, for which all points of order are waived?

Mr. SISK. That is my understanding. In fact, it was my original understanding that the request of the chairman of the Committee on Interior and Insular Affairs only went to this section, and that the waiver of points of order applies to that specific section.

Actually, as the resolution is written, I might say in all fairness to my good friend from Missouri, of course, it does indicate that all points of order are waived. But that is the only point, as I understand, that would be subject to such a point of order, due to the transfer of funds.

Mr. HALL. As the gentleman well knows, in the rule that came out of the committee, House Resolution 1162, page 1, after "and for other purposes," on line 7 it says "and all points of order against said bill are hereby waived."

So that, if in the wisdom of the individual Members, we should find other places in the bill to which we wish to submit points of order for a ruling of the Chair, that would be automatically voided by this rule.

As I said in the beginning, I compliment the gentleman, and we had a colloquy on the floor only yesterday wherein we were advised that it is the intent of the Committee on Rules to have definite stipulations for granting points of order, and that they will be portrayed to the Members here on the floor. I say it is timely inasmuch as we have been subjected to six or more such waivers in the last 2 weeks totaling less than 12 such resolutions. I wonder if we might not consider further, where a specific request is asked by the chairman of a committee that the Committee on Rules put in the stipulation on the rule making consideration of the bill in order, at which place in the bill it occurs; so that we do not automatically eliminate the prerogatives of the individually elected Members of the Congress against all other portions of the bill than that which is necessary in the wisdom of the Committee on Rules?

Some of us are perfectly willing to accept this as it comes from the committee chairman. If it is put in by an extraneous source other than the Committee on Rules or the committee chairman, as I said yesterday, we might be "making book" on this situation. But be that as it may, I wonder if the committee could specify hereafter where it is?

Mr. SISK. If the gentleman will permit me at this point to make one comment, the Committee on Rules has given careful consideration to this whole matter of waiver of points of order. We recognize that all Members are concerned about arbitrary waivers, and so on.

So as a result of that, we are now requesting from any chairman of any legislative committee coming before the Committee on Rules and requesting a waiver of points of order to cite specifically the purpose, section, page, information and reasons for it. Hereafter, it is my understanding that the Committee on Rules will pin the waiver of points of order to that specific request and not to the entire bill.

As I said, it was my understanding at the time the request was made that that would be true in this case. But we are now just putting into effect these new rules so to speak, and inadvertently the way the resolution reads, it does waive all points of order.

The remarks of the gentleman from Missouri are well taken and I agree with him and that is what we hope to do in the future.

Mr. HALL. I appreciate the gentleman's statement and thank the gentleman.

Mr. ASPINALL. Mr. Speaker, will the gentleman yield?

Mr. SISK. I yield to the distinguished chairman of the Committee on Interior and Insular Affairs.

Mr. ASPINALL. Following the thoughts expressed by the gentleman from Missouri [Mr. HALL] and also in conformity with the present thinking of the Committee on Rules, I have had a brief prepared relative to section 403 of the bill, H.R. 3300 as to where the waiving of points of order is pertinent and I would ask unanimous consent, Mr. Speaker, to include this statement that I have at this point in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ASPINALL. Mr. Speaker, the provision waiving points of order against H.R. 3300 is directed to language which, in effect, constitutes an appropriation in violation of rule XXI of the House.

Section 403 of H.R. 3300 establishes a separate fund in the Treasury. Among the revenue sources for this fund are the revenues collected from projects authorized by H.R. 3300 as well as revenues from the existing Boulder Canyon and Parker-Davis projects and the Pacific Northwest-Pacific Southwest intertie. In turn, moneys in the fund are made available, without further appropriation, for, first, defraying the costs of operating and maintaining the central Arizona project; second, reimbursing water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam because of exchanges of water between users in Arizona and New Mexico; and, third, reimbursement of the Upper Colorado River Basin fund for money expended to meet deficiencies in power generation at Hoover Dam during the filling period for Lake Powell.

There are numerous precedents for making project revenues available for operation and maintenance expenses without further appropriation, including the upper Colorado River storage project, the Fort Peck project, the North Platte project, the Tennessee Valley development, and the dams and navigation works of the Corps of Engineers. Actually, these costs are paid into the fund each year specifically for operation and maintenance purposes. The estimated amount involved in the operation and maintenance expenses for the central Arizona project is about $12.8 million annually. The reimbursement amount for the other items, which is a temporary obligation, is just over half a million dollars annually.

Mr. SISK. I thank the gentleman from Colorado for his addition to the information on this subject.

Mr. Speaker, I would like at this time to make my own position clear on this bill rather than to take the time of the Committee later in debate.

As a Member of the Congress from the State of California, this Member is in full support of the bill that has been brought to us today.

I want to commend the distinguished chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. ASPINALL], and the chairman of the subcommittee, my colleague, the gentleman from California [Mr. JOHNSON] and all the members of that committee for the long and arduous work they have done in attempting to bring together the necessary parts in the legislative procedure to put this program together. This program goes back I suppose almost 40 years or more in history. The passage of this bill will fulfill a dream going back for lo those many years for the people of the State of Arizona and for others in the Southwest area.

Mr. Speaker, a few days ago a very distinguished and a very great American announced his intention to retire, a Member of the other body, the distinguished senior Senator from the great State of Arizona, who will be retiring after 56 years of service in the Congress of the United States, a record that is unsurpassed in the history of our country. During the major portion of those 56 years, the distinguished senior Senator from that State has made this one of the prime subjects of his efforts. I know that the passage of this bill and the signing of it into law will be a deserved tribute to this distinguished American.

Mr. Speaker, there has been much controversy surrounding the Colorado River and much controversy between the State that I have the honor to represent and the State of Arizona and between the States in the lower basin and those in the upper basin over the disposal of the waters of the Colorado River.

Over the years many, many people have worked long and hard in an attempt to put together a reasonable compromise, a reasonable proposal to make available to the people of Arizona their rightful share of the waters of the Colorado River.

As I have said, I think the Committee on Interior and Insular Affairs, as well as many others who are here today, and some who have gone on before, are to be paid a tribute for the work that they have done, for the contributions that they have made from many of the States of the West.

So, Mr. Speaker, I would hope that this resolution would be adopted, and that the committee be permitted to explain this legislation and, finally, Mr. Speaker, that H.R. 3300 pass this House overwhelmingly. I reserve the balance of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I concur in the remarks of the gentleman from California [Mr. SISK] in explanation of House Resolution 1162. I would like to make a few remarks about the bill, as I, too, am from California and in strong support of this legislation.

The purposes of the bill are to authorize the central Arizona project; to provide for the immediate start of augmentation studies including transbasin diversions; to make the provisions of the Mexican Water Treaty a national obligation with satisfaction of this obligation the first priority of the water to be imported from other basins; to guarantee in perpetuity to California the use of 4.4 million acre-feet of water from the Colorado; and to authorize five projects in the upper basin.

Some general background information is necessary to set the bill in proper perspective. The Colorado River Basin is one of America's fastest growing regions. This growth is to a very substantial degree dependent on the waters of the Colorado; particularly is this true in central Arizona and southern California. There is now more Colorado River water already committed by compacts, the Mexican Water Treaty, and the recent Supreme Court decision in Arizona against California than will be available from the river in times of normal flow. In the lower basin States of Arizona and California a shortage would currently exist if these States were not now using waters guaranteed for use by upper basin States but not currently needed. Year by year this excess of water will decline as the upper basin's needs grow. The question is not whether the waters of the Colorado should be augmented—they must—but rather how this is to come about. H.R. 3300 attempts to resolve these problems and thus assure all basin States of adequate water for their future growth and development.

The bill authorizes the construction of the central Arizona project. This will serve the water-short areas of Phoenix and Tucson and carry out the mandate of the Supreme Court. The bill authorizes the expenditure of $779,000,000 for construction and related costs. Of this amount, it is estimated that over a 50-year period the fees charged to users will return to the Federal Government about $671,000,000 or about 86 percent of the expended funds. The area served by the project produces over $1,000,000,000 in agricultural products. This production is almost entirely dependent upon fresh water. The area's underground water table has fallen from a level of 70 feet below the surface in 1940 to over 200 feet below today—and the lower it falls the lower the quality of the water. Additionally, the population and development of the area is expanding rapidly and it, too, depends on more fresh water.

In addition to authorizing the central Arizona project, the bill also authorizes the construction of five projects in the upper basin States of Colorado, Utah, New Mexico, and Wyoming. Authorizations for these projects total $392,000,000 for construction and related needs. Of this total, it is estimated that users fees over a 50-year period will return to the Federal Government about $370,000,000 or 92 percent of the costs.

Total authorizations called for in the bill are $1,286,000,000. All but $200,000,000 is in connection with the central Arizona project and the five upper basin projects. The remaining authorizations cover such projects as: $100,000,000 for construction of drainage and distribution facilities in the lower basin States and an increase in the authorization for the Dixie project in Utah, which is a part of the overall development of the Colorado River Basin.

The bill also guarantees to the State of California no less than 4.4 million acre-feet of water annually. Now California is using over 5 million acre-feet, but as explained, this surplus water is actually water which upper basin States have a right to use, but have not yet needed to tap. Each year they increase their needs and the available surplus will continually decrease. The bill confirms the Supreme Court decision and California law: this provides that no matter what the rate of flow, California is guaranteed its right to use 4.4 million acre-feet in perpetuity. If the water supply of the Colorado is insufficient to satisfy the annual consumption use of 7.5 million acre-feet—the amount now contracted for and guaranteed to current users in Arizona, California, and Nevada—then the user who will suffer a diminution of water is the new user authorized in the bill, the central Arizona project.

In order to assure that no permanent water shortage develops further in the lower basin, and to assure further development throughout the area, a number of provisions have been included in the bill which have created the controversy surrounding it. First, the bill provides that the obligations assumed by the seven basin States in guaranteeing to Mexico by treaty 1.5 million acre-feet annually is now to become a national obligation. The reason for this is that as domestic use increases it is a certainty that this additional water is not and will not be available for Mexico unless the Colorado is augmented with water from other sources. This provision has created a good deal of controversy because testimony before the committee indicates the cost of bringing in the additional water, dams, canals, pumping stations, and so forth, will amount to about $2.5 billion, which will now become a national obligation. Opponents believe the seven basin States should stand this expense, that just because the terms of the treaty work a hardship on them is no reason to ask the Government to bail them out. However, it should be noted that it is a treaty with another country we are talking about, and that development of the Southwest is as much in the national interest as the Tennessee Valley or Appalachian development.

Title II of the bill is controversial. It authorizes the Secretary of the Interior to undertake studies of the means and resources available to augment the flow of the Colorado. Both reconnaissance studies and feasibility studies are to be carried out, the first to be completed by 1973, the second by 1975. Opponents claim that authority for such studies of interbasin diversions of water already exists, and that since such authority does exist the Colorado Basin should not be singled out.

It is clear today that past studies and estimates have been wrong in their assessment of the water available from the Colorado. Unless the Nation is prepared to see the growth of the Southwest arrested the answer is clear; the waters of the Colorado must be augmented, probably by as much as 2.5 million acre-feet. It is now clear that by about 1985 the expected shortage will be a permanent fact of life, and the central Arizona project will not have the water necessary to fully realize the benefits which could flow from construction of the project.

This bill seeks to assist the general growth of the Southwest and to begin to examine ways to insure its future needs, without interferring with the rights of Mexico under its treaty. The bill does not deprive any area or State of any water or rights to water it now legally possesses. No augmentation of the Colorado by interbasin transfer can be affected without congressional approval at some future time.

It should be noted that much of the problem with the bill last year revolved around the construction of two dams which would flood the lower portion of the Grand Canyon. They are not included in this bill.

The bill also creates a National Water Commission to examine the Nation's water needs and formulate recommendations for the Congress on a national program.

A number of Members have filed various individual and additional views on various aspects of the bill. They relate to the Mexican Treaty obligation, authorizing water augmentation studies, and the substitution of the Connor site for the proposed Hooker site of the dam on the Gila River.

The Department of the Interior supports the bill as does the Bureau of the Budget.

Mr. Speaker, I support H.R. 3300. I urge the adoption of the rule and reserve the balance of my time.

Mr. Speaker, I have no further requests for time.

Mr. SISK. Mr. Speaker, I have no further requests for time. I urge adoption of the resolution.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF THE COMMISSION TO STUDY MORTGAGE INTEREST RATES AND AVAILABILITY OF MORTGAGE CREDIT

The SPEAKER. Pursuant to the provisions of section 4(b), Public Law 90–301, the Chair appoints as members of the Commission To Study Mortgage In-

terest Rates and the Availability of Mortgage Credit at a Reasonable Cost to the Consumer the following members on the part of the House: Mrs. SULLIVAN and Mr. BROCK.

REPORT OF SECRETARIES OF DEFENSE AND TRANSPORTATION ON CASH AWARDS TO MEMBERS OF ARMED FORCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Armed Services.

To the Congress of the United States:

I am happy to transmit to the Congress reports of the Secretary of Defense and the Secretary of Transportation on cash awards to members of our Armed Forces for noteworthy suggestions, inventions, or scientific achievements.

The cash awards program, first authorized by Congress in September 1965, has proved an excellent incentive for reducing costs and increasing efficiency in the Armed Forces.

The largest percentage of awards—89 percent—continues to be in the $50 and under range. Of the 34,527 awards, however, 1,094 awards were over $250. The total amount paid in awards for suggestions in 1967 was $1,307,832.

In the Department of Defense, over $63,000,000 in first-year benefits have resulted from suggestions submitted by military personnel during 1967. In the Coast Guard, since the inception of the program, benefits have amounted to over $391,000. This raises the total amount of tangible benefits received during the relatively short life of the program to over $119,000,000. Many additional benefits not measurable in dollar amounts have resulted from suggestions concerning safety and other matters.

Few investments of public funds have ever returned such prompt results in economy and efficiency. Few forms of recognition have so widely benefited the morale or encouraged the initiative of our men and women in uniform.

I urge every Member to examine the truly remarkable and encouraging achievements described in these reports of the Secretary of Defense and the Secretary of Transportation.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *May 15, 1968.*

ANNUAL REPORT OF THE COMMODITY CREDIT CORPORATION FOR FISCAL YEAR 1967—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Banking and Currency:

To the Congress of the United States:

I am pleased to transmit to the Congress the Annual Report of the Commodity Credit Corporation for fiscal year 1967.

The Report shows that the Corporation has continued to reduce agricultural surpluses. This success is directly related to the substantial gains in the level of farm income since 1960—amounting to 24 percent in total realized net income, and 50 percent in net income per farm.

Despite this progress, per capita income for farmers still falls short of the level for urban workers.

Parity of income for farmers remains an unachieved goal. We began moving closer to its achievement with the passage of the Food and Agriculture Act of 1965. This legislation gives us the flexibility needed to adjust wheat, feed grain and cotton production levels. Supply management programs are vital if we are to improve returns to the Nation's farmers.

In my 1968 Message on the Farmer and Rural America, I have recommended the permanent extension of the 1965 Act to insure that authority for basic commodity programs will not be terminated. The farmer could ill-afford such a lapse.

With surpluses gone, the market operates more freely today than in many years. But the absence of surpluses also means that we must carefully maintain planned security reserves—a National Food Bank. I have recommended the new legislation which will be required to establish such a Bank. We must be able to hold reserve stocks of commodities in readiness for emergency use. At the same time our farmers must be protected against the price-depressing effects of such reserve stocks, particularly during their build-up.

Even though burdensome surpluses are no longer overhanging farm markets, farmers still need and use price-support loans to protect their prices from the depressing effects of temporarily large supplies, particularly at harvest time. In fiscal year 1967, farmers took out loans of nearly $1.4 billion on 1966 crops, and at the end of the year, price-support loans outstanding on these and previous crops totaled $1.5 billion. In addition, price-support purchases, primarily of dairy products, amounted to $327 million.

Commodity inventories owned by CCC at fiscal year end had a value of $1.9 billion. This was more than $1.2 billion less than a year earlier and more than $2 billion less than two years ago. The inventories have dropped further since the end of last fiscal year. The smaller inventory level is bringing substantial reduction in CCC's storage, handling and transportation costs. In fiscal year 1967, these costs were down to $310.7 million, compared to $472.9 million in fiscal year 1966 and $513.6 million in fiscal year 1965.

The CCC, in financing Public Law 480 sales for foreign currency and under long-term credit, helps to provide added outlets for U.S. farm production and to supplement the supply of agricultural commodities for people in the less developed countries. During fiscal year 1967, the total costs of this financing amounted to nearly $1.3 billion.

The fiscal 1967 Report demonstrates that the broad authority of the Commodity Credit Corporation is being used to benefit both the U.S. farmer and those in great need abroad. No longer the caretaker of large and costly surpluses, the CCC is returning to its original objective of helping farmers to hold commodities off markets for better prices. And farmers are moving into a new era of balance between supply and demand, while continuing to help free the world from the danger of hunger.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *May 15, 1968.*

COLORADO RIVER BASIN PROJECT

Mr. ASPINALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3300) to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Colorado.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3300, with Mr. MILLS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Colorado [Mr. ASPINALL] will be recognized for 2 hours, and the gentleman from Pennsylvania [Mr. SAYLOR] will be recognized for 2 hours.

The Chair recognizes the gentleman from Colorado.

Mr. ASPINALL. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, as we begin the consideration of H.R. 3300, which will be before us for the next 2 days, let us keep in mind one thing above all others. This is an authorization for a large reclamation program—not the largest that we have ever had before the Congress, but one of the largest that has been before the Congress since reclamation programs were first authorized.

Many of my colleagues have stated to me during the last 2 or 3 weeks that this is not an appropriate time to bring up a piece of legislation such as this for consideration. I am not in agreement with these colleagues. I think that this is the appropriate time. What we propose by this legislation is to authorize a large public works program which will be in keeping with the best of similar programs so that it will be ready for construction when we are through with the war efforts in which we are now involved and the tremendous expenditures which go along with those efforts. When peace comes to this country—and may God grant that it come soon—there will be a tremendous slackening off of our economic programs. This legislation, and bills similar to it, are being prepared for those times of

peace which we hope are not too far distant from us.

I want it clearly understood by all that the gentleman from Colorado now speaking does not intend to request funds to start construction of this great project until the fighting in Vietnam has been brought to a close. I promise my colleagues that if I remain in Congress I will not appear before appropriation committees asking for a start of construction for any of the projects authorized by this legislation until our expenditures for war have been greatly reduced.

This is not a new approach, may I say to my colleagues, because the most expensive of reclamation projects, which was coordinated with the most expensive of all Corps of Engineer projects, was authorized under similar conditions during the Second World War. I refer, of course, to the Missouri River Basin project authorized in 1944.

And here may I say to my colleagues that the project authorized by the 1944 act was not as well thought out, and the legislation not as orderly arrived at, as the legislation now before the Committee. Let us be ready so that the factories, fabricating plants, and the like, which are so essential to the welfare of our economy, may continue to operate for the building of a civilization rather than for its destruction.

Mr. Chairman, as we start our consideration of this important legislation, I would like to refer briefly to the importance to this Nation of these great water resources development programs. The dollars which this Nation has spent on water resources development, in my opinion, has been its wisest investment. These are programs which help build the Nation and strengthen its economy—programs which add wealth and will assure returns in the future which will repay their costs many times over. They also are programs which, from the short-range viewpoint, are available when needed to give the economy a "shot in the arm" and provide employment opportunities. They have a favorable impact on every segment of our economy—an impact that is felt in every part of our Nation.

I am sure that every Member of this body recognizes that if the economy of the United States is to continue to grow and prosper, there must be adequate supplies of good quality water available for our rapidly growing population, our expanding industry and for our agriculture. In the West, water has been the magic ingredient which has converted a once barren wasteland into the most prosperous and fastest growing segment of the United States. Except for seaport cities, virtually every major population center west of the 98th meridian has had its origin at the site of a water project, and every water resource development project is a nucleus of diversified economic development.

When Federal water programs were initiated in the early part of this century, water was plentiful all across our Nation, even in the West. The need was to put it to use. There were few conflicts in water use, and projects for the most part were single purpose. As water development moved forward and more and more of the available supplies were put to use, we adopted the basinwide concept for water planning, and multiple-purpose projects came into being. Plans were formulated on the basis of developing the water resources of the entire basin for serving all needed purposes, many of them simultaneously. The great water development programs in the Tennessee River Basin of the Southeast, the Missouri River Basin in the heartland of our Nation, the Columbia Basin in the Northwest, and the Central Valley of California are examples of what basinwide, comprehensive multiple-purpose development can mean to the economy of a region and the Nation. These massive developments required considerable Federal assistance and investment, but from all of them the rewards and benefits far exceed the costs, and their contribution to this Nation's economic strength is beyond measure.

As the water needs of our Nation continue to grow and water supplies, in relation to demands, are starting to dwindle, conflicts and problems are becoming more and more serious. We have come to recognize the need for an overall coordinated planning effort by not only the Federal Government and the States, but all segments of our economy, to provide for making the most efficient and wise use of the Nation's limited water supplies. To assist this effort, we enacted, a few years ago, the Water Resources Planning Act, and the procedures established in that legislation are to be followed in the water planning called for in the legislation we are considering today.

Mr. Chairman, we have now reached the point in water planning in this country where basinwide planning is not adequate to do the job. At least this is true in the West. One great river basin of our Nation is facing a critical water shortage, with the available supplies already overcommitted. This, of course, is the Colorado River Basin which is only partially developed and which is facing economic stagnation unless new sources of water can be found. The answer provided in H.R. 3300 is to extend the basinwide water planning concept to make it a westwide concept. We need to examine all possible sources of water and all foreseeable water needs on a westwide basis and develop plans which will make the best possible use of all available water resources. The legislation before us today makes a start in this direction. It is the key to future water development in the entire western part of our country.

The Colorado River, of course, has been a river of trouble and controversy from the beginning of its development. It has been undependable, unruly, and wasteful because of the vagaries of nature. There has been controversy between individual water users, between and among the States of the basin, and between the upper basin and the lower basin. The major factor contributing to all this controversy has been the shortage of water, and the fact that the river has never produced the water expected of it. This has made it almost impossible to reach any lasting agreements.

In 1922, the States of the Colorado River Basin entered into a compact which divided the basin into two parts and apportioned waters between the upper division States—Colorado, New Mexico, Utah, and Wyoming—and the lower basin States—Arizona, California, and Nevada—waters which were then thought to be only a portion of the water that would be available from the Colorado River. There were 7½ million acre-feet apportioned to the upper basin and 8½ million acre-feet to the lower basin. Any right which Mexico later acquired to Colorado River water was to be supplied from water that was expected to be surplus to the 16 million acre-feet apportioned to the two basins. In addition, the compact commissioners reported, in 1923, that they expected to meet at some later date to divide the remainder of the surplus water. In contrast to the expected water supply from the river, the average annual virgin flow of the Colorado River at Lee Ferry—the dividing point between the two basins—since the compact was signed in 1922 has amounted to only 13.7 million acre-feet. The trend has been steadily downward and the forecast by some that there would be an upturn in the river flows has not materialized. With the compact, contracts, the Mexican Water Treaty—which was entered into in 1944—and the recent Supreme Court decision in Arizona against California all based upon the delivery of more water than will be available, you can readily understand why there has been continued controversy.

In 1948, the upper basin States entered into a compact dividing the upper basin water entitlement among the upper basin States, thus opening the way to upper basin development. In 1956, as many of you well recall, Congress passed the Colorado River Storage Project Act which authorized the construction of the Glen Canyon Dam and several other mainstream storage dams as well as several multiple-purpose water projects in the upper division States, and, thereby, initiated upper basin development on a large scale. Upper basin projects existing and authorized will consumptively use about 4.6 million acre-feet of water, still leaving a considerable portion of the upper basin entitlement to be developed. In contrast, water in excess of the lower basin entitlement is already being used in the lower basin and Arizona is overdrawing its ground water to the tune of 2.5 million acre-feet annually.

The lower basin States were never able to reach any agreement on the lower basin entitlement and this eventually led to litigation and the Supreme Court decree in 1964 granting to Arizona its right to mainstream Colorado River water and to the renewal, immediately thereafter, of Arizona's efforts to build the central Arizona project. The history of the legislation we have before us today dates from that time.

Since 1964, there have been continuing negotiations among all of the States of the Colorado River Basin with respect to regional planning and legislation which would protect the rights and interests of all of the States. The final outcome of these prolonged and complex negotia-

tions is the legislation we have before us today. None of the States agree with everything that is in H.R. 3300. There has been "give and take" on the part of each. However, this is legislation that all can live with, and it represents the highest degree of cooperation and understanding. We have the opportunity to bring the entire basin together and into closer agreement than ever before. There is the opportunity for Arizona to go forward with the central Arizona project which it so desperately needs, with the understanding that all of the States of the basin will work together to meet the prospective as well as the present critical water situation in the Pacific Southwest, including the entire Colorado River Basin. For the first time, there is an opportunity for real peace on the Colorado River.

Mr. Chairman, with this brief background, I am sure you can understand why this is probably one of the most important water resources development bills to emerge from my committee since I became chairman nearly 10 years ago.

The importance of this legislation stems not so much from the projects it will authorize at this time as from the actions and procedures which will be set in motion for saving, maintaining, and strengthening the economy of the Colorado River Basin and the entire Southwest, as I have indicated.

While others will discuss the provisions of H.R. 3300 in detail, I would like to refer briefly to the key provisions, particularly those that were controversial in the committee.

First. Since the key to the future of the Southwest is more water, the first matter with which H.R. 3300 deals concerns studies to find new sources. It faces up to the fact that the river is already overcommitted by providing for an immediate start on regional and westwide water resources planning to remedy the present and prospective water situation in the entire Colorado River Basin. The studies are to be conducted by the Secretary of the Interior working under criteria to be established by the Water Resources Council and in consultation with the affected States. As I have already indicated, water is the lifeblood of this area, and unless new sources can be found, this thriving, prosperous, large segment of our Nation is, in my opinion, on a collision course with economic disaster.

These study provisions became a very controversial issue in the committee's consideration of this legislation, because representatives of the Northwest felt that their area was the target of the studies for new sources of water. This, of course, is understandable, since water flow records on the Columbia River show that more than 10 times the average annual flow of the Colorado River empties unused into the Pacific Ocean each year. Every attempt was made to allay the fears of the Northwest and make the legislation acceptable to the Northwest States. All that is provided for in this legislation are studies, and there is not going to be any study of importation from the Northwest, or any other area, until the water supplies available in the area concerned, and the future water needs thereof, have been thoroughly studied and a determination made as to any surplus supplies. Even then, any study of importation will be at reconnaissance level, and the Secretary cannot include in any report a recommendation for importation of water without the approval of the States affected. Should a plan be prepared for diversions into the Colorado River Basin, protection for the area of origin is included in the strongest language the committee could develop, which makes it certain that no future water need in an area of origin will ever be denied by reason of such diversion.

The purpose of title II is to assemble all of the relevant facts with respect to water availability and future water needs for all river basin draining into the Pacific Ocean, whether they are water-short areas or water-surplus areas. The schedule we have established for completion of the reconnaissance studies called for in this legislation allows full opportunity for consideration of the results of the present State and Federal studies which are being conducted in the Northwest.

In my opinion, the limitation of 2½ million acre-feet placed upon the feasibility study and report eliminates the Northwest from consideration so far as the feasibility study authorized in this legislation is concerned. However, we will know this only after the reconnaissance studies are completed. While I understand the concern of the Northwest States, I believe their fears are unjustified and that they are fully protected.

Second. H.R. 3300 gives assurance to the Colorado River Basin States that, at such time as new water becomes available in the basin, they will not have to relinquish water which they apportioned among themselves by compact in order to meet water deliveries to Mexico required by the Mexican Water Treaty. By making the Mexican Water Treaty burden a national obligation, this provision will correct an inequity resulting from the serious mistake in forecasting the availability of water, which I mentioned earlier, and from other factors which caused the United States to place national interests above the interests of the Colorado River Basin States. It should be made completely clear that this relief to the Colorado Basin States occurs only at such time as the river has been augmented, and that augmentation works cannot be built until they have been determined to be feasible and have been specifically authorized by the Congress. Any wild guesses which you may hear as to the cost of these augmentation works have no meaning at this time. That is why we need the studies—to determine the most economical means of augmentation. I can assure you that if the estimates of cost given in the dissenting views in the committee report—and I consider them completely unreasonable—turn out to be anywhere near correct, I shall never appear before you asking for the authorization of these works.

This provision relating to the Mexican Water Treaty was also controversial in the committee's consideration of H.R. 3300. There were those who felt that this constituted an unjustified shift in responsibility for making water deliveries to Mexico. The majority of the committee, however, after listening to the testimony and studying this matter, feel that there is justification for relieving the Colorado River Basin States of any obligation of meeting the Mexican Treaty water burden if such an obligation does, in fact, exist. This testimony and study clearly show that, first, the Mexican Water Treaty was based on a "mistake of fact"; that is, that delivery to Mexico of 1.5 million acre-feet of water would not decrease upper and lower basin apportionments of water; second, the treaty was based on the mistaken assumption that its fulfillment would not require the use of Lake Mead storage, when, in fact, treaty deliveries have first call on such storage; third, consideration of the Rio Grande and the Colorado Rivers together in the treaty negotiation worked to the detriment of the Colorado River Basin States; and, fourth, negotiations during wartime and just prior to the conference to organize the United Nations resulted in additional concessions by the United States.

Like all treaties, the Mexican Water Treaty is, of course, a national obligation. The principle here is no different from other treaties where the Federal Government has made huge payments to other countries in the interest of international comity or for benefits to U.S. citizens in specific areas. For example, the Columbia River Treaty provides for the payment by the United States to Canada of more than $64 million as compensation to Canada for benefits which U.S. citizens in the Northwest will receive from construction on headwaters of the Columbia River and provides, in addition, for turning over to Canada huge amounts of electric power and energy generated in the United States and paid for by the American taxpayers. Numerous other treaties along this line were called to the attention of this committee. Clearly, the precedent has been established that the costs of fulfilling the Mexican Treaty are to be borne by all of the American taxpayers.

Both the Department of the Interior and the Bureau of the Budget have endorsed this provision which makes the Mexican Water Treaty a national obligation, and the committee approved it as fair and equitable.

THE MEXICAN WATER TREATY

INTRODUCTION

During the hearings on H.R. 4671 of the 89th Congress in 1965–66 and on H.R. 3300 in 1967–68, the proposed subject legislation, the committee heard detailed testimony related to the effects of fulfilling the U.S. obligation under the Mexican Water Treaty—Treaty Series 994 (59 Stat. 1219)—from the water supply of the Colorado River system. At an early stage in the proceedings it became evident to the committee that questions associated with the delivery of Colorado River water to Mexico occupied a prominent position among constraints on future water resources development in both

the Upper and Lower Colorado River Basins. There appear to be two major interrelated facets to the overall Mexican Treaty problem. One problem is the actually deficient water supply of the river in comparison with the supply thought to be available when the treaty was negotiated. The other problem is the unresolved dispute between the States of the upper and lower basins over accounting of consumptive uses of water from the Gila River in Arizona when computing amounts of water that must be supplied by the basin States to fill deficiencies in deliveries of water to Mexico in short water years. This issue was not resolved by the Supreme Court as between the upper basin and lower basin in Arizona against California. The committee believes that both facets of the Mexican Water Treaty problem could be solved partially by the Federal Government's assumption and implementation of the Mexican Treaty water burden as a national obligation and entirely by an adequate augmentation of the water supply of the Colorado River.

HISTORICAL

The 1944 Mexican Water Treaty is one of a series of international contracts between the United States of America and Mexico. The primary purpose of all of these treaties was to resolve problems related to a common border. All of the preceding treaties constitute integral parts of the background of the 1944 treaty. The earliest treaty with Mexico is now over 120 years old. It is the Treaty of Guadalupe-Hidalgo, February 2, 1848, which fixed the United States-Mexico boundary. Under this agreement U.S. citizens were granted free access to the Gulf of California via the Colorado River. Both countries were given rights of navigation in the Gila River and Rio Grande on the common border. Neither country could construct any works that might obstruct the rights of the other country.

The Gadsen Treaty, December 30, 1853, created a new boundary below the Gila River. Citizens of the United States were given free access to the Gulf of California via the Colorado River and mutual navigation rights on the common boundary portion of the Rio Grande were reaffirmed.

The Boundary Convention, November 12, 1884, limited the common navigation rights to the "actually navigable main channels," and provided that the shifting river channel was not to alter the jurisdiction over the physical territory of the country to which it originally belonged.

The Convention of March 1, 1889, created the International Boundary Commission with jurisdiction over matters affecting the common water boundaries of the two countries.

The Convention of March 20, 1905 extended the authority of the Commission.

The Convention of 1906—Treaty Series 455 (34 Stat. 2493)—settled claims of Mexico concerning damages due to increased uses of water from the Rio Grande. This convention involved only the reach of the river upstream from Fort Quitman, Tex. Under it Mexico was given the right to 60,000 acre-feet of water per year at Mexican headgates as full settlement of its claims against the United States.

The above summary of activities of the United States and Mexico demonstrates the long history of national concern by both governments with respect to the settlement of mutual border problems—including the use of international waters. In all instances the problems were regarded by our country as national in character. Their resolution or fulfillment were not left to the individual States concerned.

The Mexican Water Treaty of 1944, by itself, has a rather extended and complex history. Not long after 1900 preliminary discussion took place concerning a water treaty to cover the Rio Grande downstream from Fort Quitman—hearings on treaty with Mexico relating to utilization of water of certain rivers, Senate Committee on Foreign Relations, 79th Congress, first session, 1945, page 1201. Subsequent to 1900 large blocks of irrigated land had been developed in the lower Rio Grande Valley within the United States. It was evident that optimum use of this river could not be attained without water storage and regulation in the lower valley. In 1924 the U.S. Congress enacted Public Law 118 of the 68th Congress—43 Stat. 118—which authorized a joint study of the Rio Grande. Mexico suggested that the Colorado River should be included in the joint study—House Document No. 359, 71st Congress, second session. On March 3, 1927, Congress passed Public Resolution No. 62, 69th Congress, authorizing the U.S. Commissioners to enter into studies with regard to the equitable division of the Rio Grande and the Colorado River. Authority was extended to include the Tijuana River. The Commission met, and each party presented its proposal. The American section submitted a report, published as House Document No. 359, 71st Congress, second session.

The desire on the part of Mexico to consider the Rio Grande and Colorado River together is readily understandable from Mexico's point of view. So far as the Rio Grande was concerned, the United States needed the consent of Mexico in order to regulate this river by reservoirs because of the common boundary and past agreements with respect to navigation. The United States had reached its practical limits of water development without river regulation. The U.S. development was subject to the risks of flood damage and needed protection. Mexican streams furnished most of the water for the Rio Grande below Fort Quitman, Tex. Mexico could control the tributaries in Mexico and put their water to use. Increased Mexican uses of water could damage the U.S. water users. In other words, Mexico was in the control position so far as the Rio Grande was concerned.

For Mexico in 1928 the Colorado River presented a different picture. The water supply for Mexico came entirely from the United States. Development in Mexico had largely resulted from the Imperial Irrigation District's use of the Alamo Canal as a means of supply for its land in the United States. In order to secure the right-of-way through Mexico, a complex arrangement was secured whereby Mexican lands could use as much as one-half of the water carried through Mexico. Mexico also benefited from the flood protection provided by Imperial's system of protective works.

For many years there had been discussion of an all-American canal to supply Imperial Valley in the United States. In 1918 the Secretary of the Interior had appointed a board of three men to investigate the matter of the all-American canal and related problems. This Board filed a report entitled "Report of the All-American Canal Board." Part of the recommendation of this Board was the construction of an all-American canal to deliver water to American lands and a storage reservoir as a flood control measure. In 1920, Congress enacted the Kinkaid Act—act of May 18, 1920, 41 Stat. 600—which authorized a study of the "Problems of Imperial Valley and Vicinity." From this study came the Fall-Davis Report—Senate Document No. 142, 67th Congress, 2d session. This report also recommended an All-American Canal and a storage dam on the Colorado to control the floods which menaced the lower reaches of the Colorado River.

In 1922 the Colorado River Compact was negotiated by the seven Colorado River Basin States. Recognizing that a treaty between the United States and Mexico must some day be formulated, the signatories of this compact included the following language in article III(c) of their agreement:

> If, as a matter of international comity, the United States of America shall hereafter recognize in the United States of Mexico any right to the use of any waters of the Colorado River System, such waters shall be supplied first from the waters which are surplus over and above the aggregate of the quantities specified in paragraphs (a) and (b); and if such surplus shall prove insufficient for this purpose, then, the burden of such deficiency shall be equally borne by the Upper Basin and the Lower Basin, and whenever necessary the States of the Upper Division shall deliver at Lee Ferry water to supply one-half of the deficiency so recognized in addition to that provided in paragraph (d).

During this same period the Boulder Canyon Project Act bills were before Congress. This legislation included the authorization of a high dam on the Colorado River. In 1928 it was enacted into law—Boulder Canyon Project Act, 45 Stat. 1057.

Mexico was aware of activities taking place in the United States which would make possible the expansion of water uses and river control. The United States was in an advantageous bargaining position so far as the Colorado River was concerned.

The International Water Commission accomplished little except collect data. It was abolished by the Economy Act of 1932 and its functions transferred to the International Boundary Commission. This Commission continued to study the common border water problems—Senate Executive Report No. 2, 79th Congress, 1st session, page 2. In 1935 Congress authorized further study, in cooperation with Mexico, of the possibilities of a treaty.

Subsequent to 1935 the State Depart-

ment continued to study the border water problems. Discussions were had with water interests in the Colorado River Basin through the Committees of 14 and 16, "semiofficial" groups composed of representatives of the seven basin States—Senate Executive Report No. 2, supra.

The negotiators on the Colorado River were confronted with a different type of problem; namely, a completed Hoover Dam. Releases of water for power production caused a well-regulated flow below Hoover Dam. In the 1930's and 1940's the water users in the United States could not absorb the water released at Hoover Dam; thus a large quantity of water was spilling to Mexico. Mexico was in a position to use this water. It appeared that lower basin development in the United States would not be in a position to use all water released from Lake Mead for some time. It was feared that Mexico would create rights by use and at some future date could claim in an arbitration suit that these water uses should be protected.

The 1944 Mexican Water Treaty was the culmination of the preparation, studies, and negotiations summarized above. The agreement has the essence of an international contract. All activities with reference to the treaty were at a national level.

THE MEXICAN TREATY BURDEN ON THE COLORADO RIVER

The first mortgage on the Colorado River water supply is the burden of fulfilling the requirements of the Mexican Water Treaty. Basically, the Colorado River part of the treaty guarantees to Mexico an annual delivery of 1,500,000 acre-feet of water under a predetermined schedule. This guaranteed water has to be delivered in the limitrophe section of the Colorado River with certain exceptions, and is from "waters of said river," whatever their origin. There is provision for an increased delivery to Mexico if sufficient water is available.

Students of the Mexican Water Treaty have marshaled a rather convincing array of authority in the form of excerpts from diplomatic correspondence, recently released by the State Department, which demonstrates that there was a trade of Colorado River water to Mexico in return for an increased amount of water from the Rio Grande for use in the United States. In the light of evidence now available it appears that there was, at least from the point of view of Mexico, a trade; although a representative of the U.S. section of the International Boundary Commission testified that no such trade was made. Certainly the Colorado River portion of the Mexican Water Treaty was not considered as an independent item in the relations between the United States and Mexico. It is clear that the settlement of the water issues by this treaty was only one part of a package plan to settle international problems which existed between the United States and Mexico at the time.

Under the present water supply situation it is difficult to understand how there could be an agreement to grant such a quantity of water as 1,500,000 acre-feet per annum to Mexico. The facts pertaining to water availability appeared different in 1944. The hydrologic studies at that time demonstrated a greater water supply than has proved to be existent—page 75, hearings, Senate Committee on Foreign Relations, 79th Congress, 1st session, "Treaty With Mexico Relating to the Utilization of the Waters of Certain Rivers, Part I." Also, note under the section of this report on "Water Supply" that figures 1 and 2 clearly picture the persisting decline in water yield of the Colorado River during the past 34 years.

According to the discussions that are reported in House Document No. 359, 71st Congress, 2d session, Mexico originally claimed a right to 4.5 million acre-feet of water per year from the Colorado River. This was later scaled downward to 3.6 million acre-feet per year. The United States had offered 750,000 acre-feet plus an additional amount to compensate for main canal losses. In addition, Mexico would receive the return flows from the U.S. border projects, as in the Yuma area—pages 45 and 46 of House Document No. 359, supra, and page 82, treaty hearings, supra. It was argued that actually the 1.5 million acre-feet from any and all sources was a better deal for the United States than the original offer of 750,000 acre-feet plus main canal losses and return flows of the original offer.

The committee learned from testimony of H.R. 4671 of the 89th Congress that at the Mexican Treaty hearings witnesses asserted that to guarantee 1,500,000 acre-feet per year in perpetuity to Mexico would create bankruptcy in the water supply of the Colorado River. This was denied by the State Department; but memorandums released 20 years later confirm the fact that the United States stated that any delivery of water to Mexico in excess of about 1,100,000 acre-feet would automatically create a shortage in the United States. Notwithstanding this admission, the U.S. Senate ratified the treaty guaranteeing 1,500,000 acre-feet per year to Mexico, which, in effect, was a national commitment of water to Mexico, the use of which had already been apportioned by interstate compact, with the consent of the Congress, to the upper and lower division States of the Colorado River Basin. It was probably for overriding foreign policy reasons in a critical wartime setting, in the context of both a Colorado River and Rio Grande dispute with Mexico, and on the basis of an overestimated water supply that the United States permitted such a large amount of water to be perpetually dedicated for delivery to Mexico.

The impact of the Colorado River part of the Mexican Treaty burden is acute, drastic, and seriously adverse to the water resource development of seven sovereign States. It is a rigid constraint upon the economy of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, and ultimately upon the economy and social welfare of the Nation. There can be no dispute that the perpetual payments on this "first water mortgage" between two respected nations must be met. The water deliveries to Mexico resulted from an international agreement. The terms of this agreement must be filled by the United States. The seven basin States, as well as the other 43 United States, would have it no other way. Furthermore, at this point in history there is nothing to gain by arguing that the quantities of water granted to Mexico from the Colorado River were excessive. Our good neighbor to the south, too, could use many thousands of acre-feet of additional water, if she could obtain it reasonably.

The hearings in the U.S. Senate are replete with evidence that this treaty is of national and international status as contrasted with a regional, or individual State's problem. At the time the treaty was before the Senate the statement by the Secretary of State recognized clearly the national character of the responsibility involved. For instance, at page 20 of the hearing, supra, he stated:

> It seemed to us to be in keeping with our democratic institutions and procedures that the representatives of the communities most vitally concerned should be consulted with respect to these matters, *despite the fact that these questions are also of large national and international significance.* (Emphasis supplied.)

From its historical background, from the nature of pretreaty negotiations, from hearings on the treaty in the Senate, and from the manner in which it is administered, it is obvious that the Colorado River water burden is a national obligation—not the obligation of the seven basin States. The treaty was entered into by the United States on behalf of all its citizens. The benefits of the treaty are national in character, made possible only by the sacrifices of water of the seven Colorado River Basin States. These States receive no tangible benefits from the treaty in the form of water supply, power generation, navigation, flood control and so forth. On the contrary, their sacrifices of water caused many tangible benefits to accrue to the States of the Rio Grande Basin, as well as to Mexico.

RESPONSIBILITY FOR WATER BURDEN OF MEXICAN TREATY

The committee is convinced that the Mexican Water Treaty, like all other treaties between the United States and another country, is an international agreement for which the citizens of all 50 States must bear the national responsibility. This premise is well established both by direct documentation and by precedent. The real question is how this national responsibility should be met. The committee believes that the time has come for this water delivery burden to Mexico to be shifted from the backs of seven children to the entire family—from the seven Colorado River Basin States to the United States as a nation. Sections 202 and 401 of H.R. 3300 constitute an initiation of the policy of making the deliveries of water required by the Mexican Water Treaty a national responsibility, as it should be.

Section 202 of the pending bill says:

> The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress. Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may

have been imposed upon them by article III (c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty.

The above-quoted language clearly expresses the intent of the Congress to resolve the problems associated with the deliveries to Mexico of Colorado River water required by treaty. This is done by earmarking the first increments of any water developed by an augmentation program for relief of the Mexican Treaty burden now plaguing the Colorado River Basin States. More specifically:

First. Section 202 is a declaration by the Congress that the obligation to deliver the 1944 Mexican Treaty water should be a responsibility of all 50 States, and not a burden on only seven.

Second. It supplements article 12(b) of the treaty which provides:

The United States, within a period of five years from the date of the entry into force of this Treaty, shall construct in its own territory and *at its expense*, and thereafter operate and maintain *at its expense*, the Davis storage dam and reservoir, a part of the capacity of which shall be used to make possible the regulation at the boundary of the waters to be delivered to Mexico in accordance with the provisions of Article 15 of this Treaty. (Emphasis supplied.)

Third. It requires that water to serve the treaty deliveries shall be "the first obligation of any water augmentation project authorized by the Congress."

Fourth. Under certain specified conditions it relieves the Colorado River Basin States "from all obligations which may have been imposed upon them by article III(c) of the Colorado River compact."

Fifth. Complete relief of the basin States is conditioned upon a determination by the Secretary of the Interior that an augmentation program would be in operation adequate to supply Mexico's treaty entitlement to Colorado River water. The pertinent language of section 401 of H.R. 3300 is:

Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable.

This sentence extends the intent of the Congress to include the costs of construction, operation and maintenance of facilities necessary to replace Colorado River water that is delivered to Mexico as a charge to be paid by taxpayers in all 50 States. This procedure would be in conformity with that used to meet commitments under other portions of the Mexican Water Treaty involving both the Rio Grande and Colorado River, and with other international treaties concerned with international water problems.

The principle of nonreimbursability to provide 1.5 million acre-feet of augmented water to supply the Mexican Treaty requirements has been recognized officially by the Bureau of the Budget. In a letter dated May 10, 1967 to the chairman of the Senate Committee on Interior and Insular Affairs, the Deputy Director of the Bureau of the Budget commenting on S. 1019 and similar bills predecessor to H.R. 3300 stated:

The Bureau does recognize, however, that one of the important demands on the river is to provide water necessary to meet commitments made by the U.S. Government to the Republic of Mexico in the treaty of 1944. Should the Congress decide that the situation is unique, we believe that the price guarantee should be further limited to not more that 1.5 million acre-feet of water annually, the amount required to meet the U.S. treaty obligation. With this proviso, the chances would appear minimal, based on Department of the Interior estimates, that any imported water would have to carry a price higher than main stream water—at least in the period through year 2030.

The effect of the above-quoted paragraph was the approval of language in the bill that would have permitted the supplying of water to Colorado River water users, limited to 1,500,000 acre-feet annually to meet the Mexican Treaty commitments, at prices to Colorado River water users that would not include the cost of importation—augmentation.

The Department of the Interior in 1965 recognized and approved this same principle of supplying water for replenishment of the depletions caused by the Mexican Treaty burden at prices that would not reflect costs of importation. The Department in its comments approved, as an alternative, a nonreimbursable allocation to replenishment of deficiencies in water supply caused by Mexican Treaty deliveries. The Secretary of the Interior in a letter dated May 17, 1965, to the Honorable WAYNE N. ASPINALL, chairman of this committee, commenting on H.R. 4671 and similar House bills precedent to the pending legislation, stated:

The Bureau (of the Budget) recognizes that the Mexican Treaty imposes an important demand on the Colorado River and it suggests that if the Congress decides that the situation in the Lower Colorado River Basin is unique, the price guarantee in the pending legislation should be limited to the importation of not more than 1,500,000 acre-feet of water per annum, with the costs being met from the development fund. A cost guarantee of up to 1,500,000 acre-feet per annum would, as the Bureau of the Budget points out, make minimal the chances that any imported water would carry a price higher than main stream water, at least through the year 2030.

An alternative approach, of course, to assure the maintenance of main stream prices for not to exceed 1,500,000 acre-feet of imported water per annum would be to retain the nonreimbursable allocation, now provided for in section 402 (of H.R. 4671) to replenishment of deficiencies in main stream water occasioned by Mexican Treaty deliveries, with the limitation that the nonreimbursable costs be limited to those associated with the importation of not to exceed 1,500,000 acre-feet for replenishment purposes. In the Bureau of the Budget's view this alternative, too, would be applicable if the Congress considered the Lower Colorado River situation unique.

The effect of the comments by the Department would have been to make the commitment to deliver water to Mexico under the 1944 treaty a national obligation with the costs of augmenting the Colorado River water supply to the extent necessary to meet the treaty requirements nonreimbursable. This is almost exactly what enactment of title II and section 401 of H.R. 3300 would accomplish.

It should be observed that H.R. 3300 does not authorize the appropriation of any moneys for the purpose of relieving the basin States of the Mexican Treaty water delivery requirement through a water supply augmentation program. This legislation does authorize studies of methods of augmenting the river and expresses the intent of the Congress that the first increments of water resulting from any form of augmentation shall be used to meet the treaty commitment to deliver water to Mexico as a national responsibility.

PRECEDENT TREATIES INVOLVING INTERNATIONAL WATERS

The concept of providing that the costs of meeting treaty requirements should be borne by the Nation as a whole is not new. In fact, this is the general practice, even where international waters are concerned, with the water delivery from the Colorado River to Mexico being an exception, an exception that is completely unwarranted on such a water deficient river system and that can and should be corrected as soon as possible.

The following examples are cited as precedents involving international waters under which the United States has assumed the financial responsibility as a national obligation.

First. The most cogent argument for assuming the cost of augmenting the Colorado River water supply to replace water that must be delivered to Mexico can be found in the Mexican Water Treaty itself. So far as the Rio Grande is concerned, the obligations assumed by the United States with respect to the construction of the necessary control structures were national obligations. Article 5 of the treaty provides for the construction and cost allocations between the two National Governments of the necessary agreed-upon dams. Article 6 provides for further studies of other future construction that may be agreed upon by the two Governments, and costs are made the national obligations of the two Governments. Falcon Dam and Armistad Dam were both built on the Rio Grande under terms of the Mexican Water Treaty. Also note that Davis Dam on the Colorado River is used for meeting the Mexican Treaty obligation. Its costs, so far as regulation of the river for delivery of treaty water is concerned, was assumed as a national obligation.

Second. Painted Rock Dam on the Gila River was completed in 1959. It was justified as a nonreimbursable project because its construction was important to the operation of the treaty.

Third. As further evidence of congressional recognition of the Mexican Water Treaty as a national obligation, Congress in 1965, faced by Mexican complaints over the quality of Colorado River water delivered to her under terms of the treaty, authorized the construction of works to preserve the quality of releases to Mexico. The costs of constructing and operating these works were made non-

reimbursable, and thus the responsibility of all taxpayers.

Fourth. In 1925 the United States entered into a convention with Canada concerning the Lake of the Woods—Treaty Series 721 (44 Stat. 2108). This treaty and its protocol became effective February 17, 1925. In this treaty Canada was seeking to raise the Lake of the Woods' level for power production. Article VIII of the treaty provides for the securing of flowage rights to a specified elevation. The United States assumed the liability to all U.S. owners for needed land. Further, the United States was to provide the necessary protection works to make effective the raising of the level of the Lake of the Woods.

Article X provided that Canada was to pay the United States the sum of $275,000 to cover the expenses which the United States would incur under the said article VIII. If this sum proved insufficient Canada was to bear only one-half any deficiency, provided the additional expenses were incurred within 5 years. It is obvious from this treaty that the United States assumed as a national obligation all expenses of purchasing needed U.S. land and one-half of any expenses for protective works in excess of $275,000.

Fifth. In the Niagara Water Treaty of 1960—1 U.S. Treaties and Other International Acts, page 695—dealing with the remedial works necessary to preserve the Niagara River, article II provides:

> The total cost of the works shall be divided equally between the United States of America and Canada.

Sixth. Under the Rio Grande Convention of 1906—Treaty Series 455 (34 Stat. 2953)—this treaty being the one which granted Mexico 60,000 acre-feet of water from the Elephant Butte Reservoir, by the act of March 4, 1907—34 Stat. 1295—the United States appropriated $1 million "toward the construction of a dam for storing and delivering 60,000 acre-feet annually in the bed of the Rio Grande at points where the headworks of the Acequia Madre now exists above the City of Juarez, Mexico." The treaty also provides:

> The said delivery shall be made without cost to Mexico, and the United States agrees to pay the whole cost of storing the said quantity of water to be delivered to Mexico, of conveying the same to the international line, of measuring the said water, and of delivering it in the river bed above the head of the Mexican Canal.

Seventh. In 1933 the United States entered into the Rio Grande Convention—Treaty Series 864 (48 Stat. 1621). The purpose of this convention was to provide for rectification of the channel of the Rio Grande below Elephant Butte Reservoir. In this convention, article III, the cost of the works was prorated between the two governments in the following percentages: United States 88 percent and Mexico 12 percent.

Eighth. Under minute No. 129 of the International Boundary Commission—43 Stat. 1628—the cost which was estimated to be appropriated to the United States was $4,340,424. This particular minute also recommended the construction of Caballo Dam below the Elephant Butte Dam as a part of the flood control measures necessary in this rectification program. The United States constructed this dam with an enlarged capacity, part of which was to be for reclamation purposes. In the Reclamation Repayments and Payout Schedules, 1902–1957, there is indication that at least $1,500,000 was transferred to the Department of the Interior from the State Department as a nonreimbursable allotment to aid in the construction of Caballo Dam.

Ninth. The Columbia River Treaty—15 U.S. Treaties and Other International Agreements, page 1555—provides in article VI for the payment by the United States to Canada of $64,400,000 as compensation to Canada for flood control benefits which the United States would receive from the construction of dams in Canada on the headwaters of the Columbia River. In addition, the protocol attached to this treaty, paragraph 11, provides for an increased payment to Canada for these flood control works should it be determined that benefits would result to the United States for a longer period than that set out in the treaty.

CONCLUSIONS, MEXICAN TREATY ISSUE

After hearing the testimony of both Federal and non-Federal witnesses on the subject and considering the problems associated with the delivery of water from the Colorado River to Mexico the committee concluded that:

The Mexican Water Treaty was ratified by the U.S. Senate as the result of testimony by Federal experts that the water granted to Mexico would be supplied from surpluses not previously apportioned by interstate compact, with the consent of the Congress, among the Colorado River Basin States. Time has shown that the natural supply of the Colorado River is much less than Federal experts predicted in the early 1940's. The demands of the treaty cannot be filled from the natural supply of the river without significantly reducing the supplies apportioned to the seven States.

One of the principal reasons for initiating a study of methods of augmentation of the water supply of the Colorado River is the fact that the Mexican Treaty water deliveries are a drain upon the supply and have resulted in shortages in water supplies needed by basin States.

The Colorado River Basin States are entitled to be on a more equal basis with States on the Rio Grande where controversy was also settled by the Mexican Water Treaty. There is no real difference between paying for the construction, operation, and maintenance of necessary water control structures as national obligations under a treaty and assuming the costs of assuring a physical water supply under the same treaty through a water supply augmentation program as provided in H.R. 3300. In the case of Rio Grande, the construction was for the purpose of assuring a more adequate water supply and protection against floods to insure future development of the river basin. For the Colorado River the national obligation that is to be assumed is to assure the anticipated water and related resources development of the seven basin States.

If the problems associated with the delivery of water to Mexico can be resolved through a water supply augmentation program on a nonreimbursable basis future litigation between the upper and lower basin States can be avoided.

Unless the water supply is augmented at least to the extent of filling the Mexican Treaty requirements and losses incident thereto, the central Arizona project will suffer severe water shortages, possibly as early as 1990, due to the priority for 4.4 million acre-feet of lower basin water granted to California by H.R. 3300.

The United States—not the basin States—in 1944 made the treaty with Mexico. The United States agreed to construct and operate the necessary facilities on the Rio Grande and Colorado River "at its expense" to meet the Mexican Treaty burden. If in the future the United States can fulfill its treaty commitment only by curtailing deliveries of Colorado River water already allocated by compacts or court decisions to the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming—then the United States, as a national policy, should be responsible for augmenting the water supply to the extent of the Mexican Treaty deliveries. Equity requires such action by the Federal Government.

The time has arrived for the Nation to assume the responsibility for the Mexican Treaty water burden on the Colorado River. A first step in this direction is the enactment of sections 202 and 401 of H.R. 3300 which express the intent of the Congress to make the responsibility a national obligation with the cost thereof to be paid by the United States. This policy has ample precedent and is in the best interests of the Nation, the region, and the States.

H.R. 3300 authorizes additional development in both the Lower and Upper Colorado River Basins. In the lower basin, it authorizes the central Arizona project, which will be discussed in detail by others. The controversial Colorado River dams have been eliminated from the plan at this time and the stretch of the river between Hoover Dam and Glen Canyon Dam has been removed from the jurisdiction of the Federal Power Commission, thus reserving any decision with respect to possible further water development for later action of the Congress. These dams were originally proposed by the administration, and when the administration reversed its position, the committee removed them from further consideration.

The Hooker Dam project is included in this legislation to provide the storage necessary for downstream flood protection on the Gila River, and to permit New Mexico to use at least 18,000 acre-feet of water pursuant to its agreement with Arizona. The present Hooker Dam plan is based on reconnaissance studies many years old. The studies need to be updated, giving consideration to all new and pertinent information. The flexibility needed for modifying the plan on the basis of the further studies is provided by the inclusion in the legislation of the words "or suitable alternative" following the language which authorizes

Hooker Dam and Reservoir. In restudying this feature, the Secretary should give consideration to all the usual factors that go into determining the most feasible development.

H.R. 3300 provides a statutory formula to cope with the years of water shortages on the Colorado River. Under this formula, California water users will be given a priority to 4.4 million acre-feet of water ahead of deliveries of main stream water to the central Arizona project. It should be pointed out, however, that California is presently using about 5.1 million acre-feet and California will have to bear the first cutback in water use. This limitation on diversions by the central Arizona project would be inoperative in any year in which the lower Colorado River has sufficient water to supply the Mexican Water Treaty entitlement plus 7.5 million acre-feet annually for consumptive use from the mainstream in Arizona, California, and Nevada.

The matter of water deliveries in the lower basin in water-short years is a problem which the Supreme Court turned over to the Secretary of the Interior. The formula which the committee has developed and written into this legislation resolves this troublesome problem. This matter, of course, was very controversial between Arizona and California. However, the formula which has been developed has been agreed to by representatives of both States.

To help finance the central Arizona project, the previously authorized Dixie project, and future augmentation works, H.R. 3300 provides for establishing a development fund. The revenue sources for this fund, in addition to the central Arizona project and the Dixie project, are the Hoover and Parker-Davis projects and the Pacific Northwest-Pacific Southwest power intertie.

The upper basin projects included in H.R. 3300 for authorization are the Animas-La Plata project in Colorado and New Mexico and the Dolores, Dallas Creek, West Divide, and San Miguel projects, in Colorado. These five projects, taken together, are estimated to cost $392 million. They are all multiple-purpose projects for irrigation, municipal and industrial water supply, flood control, recreation, and fish and wildlife enhancement. They have all been determined to be economically and physically feasible and much-needed in the areas which they will serve. All five projects have favorable benefit-cost ratios with the composite benefit-cost ratio for the five projects combined determined to be 1.68 to 1. These upper basin projects will be financed through Colorado's entitlement from the Upper Colorado River Basin fund established in 1956 by the Colorado River Storage Project Act.

ANIMAS-LA PLATA PROJECT

A dependable water supply is the most urgent need of the Animas-La Plata project area. It is essential to expansion of the irrigated area, to stabilization of agriculture on the presently irrigated area, and to the continuing development of other resources. Because of the great seasonal and yearly fluctuations in river-flow, the additional water needed can be obtained only through construction of regulatory reservoirs.

Practically all the land now irrigated is in need of supplemental water in the late growing season. Good quality lands without irrigation are idle or, under dry farming, are producing only a small part of their potential. Dry farming is a speculative venture and many man-years of low rainfall investments in dry farming are almost totally lost. Because of shortages of feed, the livestock industry on which much of the area is economically dependent is at a standstill. With the limited crop production winter feeds are in short supply and national forest and Taylor grazing lands are used to capacity. High transportation costs make it impractical to import additional feed into the area. Many farmers work off the farm part time to supplement their income. As a result, a growing number of small farms are inefficiently operated.

When the Animas-La Plata plan was developed in 1962, the project was designed to serve primarily irrigation needs. However, in the period since the 1962 plan was formulated, a need for larger quantities of municipal and industrial water in an area serviceable by the project has become evident. Interest in obtaining water has been expressed by a number of New Mexico communities extending from Aztec on the Animas River through Farmington at the junction of the Animas and San Juan Rivers and downstream along the San Juan River through Kirtland, Fruitland, Waterflow, and Shiprock. Farmington plans to extend its municipal water system to include these downstream communities. Active interest has also been shown in obtaining water for uses associated with development of the extensive bituminous coal deposits underlying large areas of the La Plata River Basin and the adjacent Mancos River Basin to the west. The Peabody Coal Co. and the Pittsburgh and Midway Coal Mining Co. are separately exploring the feasibility of a large coal-fueled powerplant that would utilize coal from the La Plata coalfield near the Colorado-New Mexico State line. The Peabody Coal Co., has expressed an interest in obtaining 30,000 acre-feet of water annually for cooling purposes at that location. Any development there would involve lands owned by the Southern Ute Indian Tribe. The Ute Mountain Indian Tribe has coal deposits on its lands in Colorado in the service area of the Animas-La Plata project. Other potential needs for municipal and industrial water in the project area are associated with natural gas, oil, and other mineral resources recreational attractions, and the trend toward more intensive farming in the raising of vegetables and fruit in the New Mexico portion of the area and dairying in the Colorado portion.

The 1962 project plan for the Animas-La Plata project has been modified to meet the growing requirements for municipal and industrial water.

The estimated cost of the project is $115,880,000. It is economically and physically feasible with a benefit-cost ratio of 1.64 to 1.

THE DOLORES PROJECT

A dependable water supply through development of additional storage regulation is the most urgent need for continued growth of the Dolores project area. The water demands cannot be met by direct flows and the limited storage supplies presently available.

Additional irrigation water supplies are needed to stabilize and expand agricultural development. Lands in the Dove Creek area, which are now dry-farmed, produce only a part of their full potential because of the farmers' dependence on rainfall for moisture. In years of adequate rainfall, yields are good and the farmers prosper, yet in years of drought, which frequently occur, the lands produce barely enough to offset farming expenses. Although much of the Montezuma Valley area is irrigated, the irrigation supply fails to meet requirements and sufficient feeds are not available for the livestock industry. In the Towaoc area, a part of the Ute Mountain Indian Reservation, the sage-covered lands are usable only for sparse grazing. Indians on the reservation are forced to hire non-Indian operators in adjacent areas to raise much of their livestock feed supply.

Communities in the project area, particularly Dove Creek and Cortez, anticipate a need for additional water for future growth. Dove Creek's present supply is excessively costly because of high-head pumping involved in securing water from the Dolores River, and any development of additional supplies without project development would be equally as expensive. Without the Dolores project, it will be necessary for Cortez to acquire water which is currently used for irrigation and to construct storage facilities. Not only would such action be costly to the city but it would take valuable agricultural land out of production.

The estimated cost of the Dolores project is $53,850,000. It is economically and physically feasible with a benefit-cost ratio of 1.72 to 1.

THE DALLAS CREEK PROJECT

In the Dallas Creek project irrigation service area there is an urgent need for additional and dependable irrigation supplies to improve and stabilize the economy of the farmers and of related service industries. At the present time the late-season water shortages on irrigated lands commonly result in crop failures. Dryland farming is practiced to a limited extent but results are uncertain. Large acreages of land once cleared for dry farming at considerable expense are no longer farmed because of frequent crop failures due primarily to insufficient rainfall. Decreases in grazing privileges on public lands in recent years have adversely affected some livestock operations and increased the need for more farm-grown feed. Many of the farmers have depressed living standards because of limited agricultural production.

Additional municipal and industrial water is needed to meet existing and anticipated needs of local communities and to provide a safe and convenient supply for surrounding rural areas. The need for additional water in the communities is accentuated by the popula-

tion growth anticipated for them in the years ahead. The already important recreational attractions of the area will soon be greatly increased with completion of the Curecanti unit of the Colorado River storage project. Local industrial development also is expected to be stimulated by electric power from the Curecanti unit and other units of the storage project. Growth in the area will almost certainly result from the new power operations center at Montrose, Colo. Development of the authorized Fruitland Mesa and Bostwick Park projects and of the Dallas Creek project itself, if authorized, would increase agriculture and would improve recreational and fish and wildlife attractions, further stimulating growth of the general area.

Control of floodlands of the Uncompahgre River is needed to prevent the inundation of farmlands and frequent channel changes that now occur during the spring snowmelt period and during heavy rainstorms which usually occur in the late summer.

The estimated cost of the Dallas Creek project is $42,310,000. It is economically and physically feasible with a benefit-cost ratio of 1.70 to 1.

THE WEST DIVIDE PROJECT

Additional water is the most urgent need of the project area, both for agriculture and as a reserve for municipal and industrial use.

Because of inadequate irrigation supplies, agriculture incomes in the project irrigation service area on the south side of the Colorado River are unstable and many farm operations are marginal. Less than half of the arable lands are irrigated. Even lands with high-priority water rights often have late-season water shortages and lands with low-priority water rights receive almost no irrigation water in drought years. Recent decreases in grazing permits on public lands have aggravated the agricultural problems and forced a number of farmers to reduce their livestock herds and sell or abandon their farms. An increased supply of irrigation water made dependable by reservoir storage, such as would be provided by the West Divide project, would alleviate the farm problems and provide a base for an expanded and more prosperous agriculture.

Important as is the need for irrigation water, an even greater need appears to exist for municipal and industrial water in connection with the oil shale potentialities. Large water reserves are essential to the processing of the shale oil on a commercial basis and to the establishment of urban complexes to support the large influx of industrial workers and their families that would necessarily accompany the industrial development. Municipal water also is urgently needed to support suburban and recreational areas rapidly expanding in the eastern portion of the project area southward from Glenwood Springs and in the vicinity of Redstone, Colo.

The estimated cost of the project is $106,580,000. It is economically and physically feasible with a benefit-cost ratio of 1.86 to 1.

THE SAN MIGUEL PROJECT

An expansion of the agricultural base is urgently needed to offset the fluctuating and currently depressing effects of the mining industry on the general economy of the San Miguel project area. New agricultural development would create new settlement opportunities, more work on existing farms, and employment in related service industries. Such development would be a boon to the area's younger generation seeking job opportunities and to many now in the labor force with uncertain futures in the mining industry.

Improved control of San Miguel River flows is desirable to firm the water supply for industrial expansion and associated municipal water needs. Interest has been shown in obtaining regulated water supplies near the Nucla coal reserves to stabilize and expand present operations to meet continuously increasing power requirements. Interest has also been expressed in the establishment of a wood pulp or pulp and paper mill to utilize the products of nearby forests. Development of the area's potash reserves and the use of water in secondary oil and gas recovery operations represent other potential water needs.

The growing number of tourists in the project area is creating a need for water recreation areas such as would be provided by the San Miguel project. Reservoir areas would help fill the demand for fishing, picnicking, and other outdoor recreational opportunities.

The estimated cost of the project is $73,140,000. It is economically and physically feasible with a benefit-cost ratio of 1.42 to 1.

One final matter with which H.R. 3300 deals relates to operation of Federal works on the river—particularly at Glen Canyon Dam and Hoover Dam. Operating criteria are to be established which assure equitable treatment of all seven States of the basin now and in the future. In the preparation of the reservoir operating criteria, and in their execution, certain priorities shall govern the storage of water in reservoirs of the Colorado River storage project and releases of water to the lower basin at Glen Canyon Dam.

The language expressed in title VI constitutes a fair and reasonable solution to the problem of protecting the future water resources development of the four upper division States, and also providing for the use of the water in the lower division States until the water is required upstream. This should result in the greatest beneficial use of the available water.

This language clearly protects the rights of the upper basin to the consumptive use of water apportioned to it from the Colorado River system by the Colorado River Compact against any claims to the use of that water over either a short term or long term by water users in the Lower Colorado River Basin.

Mr. Chairman, while the $1.286 billion, which is the estimated cost of all the Projects in H.R. 3300, is a high price tag. I want to point out that $1.156 billion, or 90 percent, will be repaid. I also want to point out that this is a long-range program—10 to 15 years or more—and that the fund needs in the first few years will be relatively small.

Mr. Chairman, I recognize full well the fiscal crisis which this Nation is experiencing at the present time. However, I don't believe this should be considered a serious obstacle to the authorization we are requesting. Only relative small amounts, starting with around half a million dollars will be needed for the studies, costing in total only about $10 million, and, as already indicated, the early funding needs for the projects, if it is possible to start them, will be small. In addition, even if delays in construction are necessary, the existence of authorizations such as this is the best means of picking up the slack in the economy when there is a cessation of hostilities and the economy begins to sag. The understandings that are embodied in this legislation and the procedures that will be set in motion by its enactment are so very important that this legislation must not be held up for economic reasons.

In closing my statement, Mr. Chairman, let me quote the late Senator Bob Kerr:

> Prosperity does not really come from our automobile factories, steel plants, railroads, and other elements of our industrial processes. Prosperity comes instead from the land, the woods, and the waters of this land.

I urge my colleagues to support this important and far-reaching legislation.

Mr. SAYLOR. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I rise in opposition to H.R. 3300, a bill to authorize the construction, operation, and maintenance of the Colorado River Basin project, as amended and reported by the House Committee on Interior and Insular Affairs.

I am opposed to the bill because the approach of this legislation goes far beyond what is justifiable, necessary, and reasonable at this point in the development of the water resources of the Colorado River. The approach of H.R. 3300 in attempting to resolve the multitude of water problems of the Southwestern United States results in its highly controversial provisions which affect the people of the other several States of this Nation.

I do, however, support the authorization of the central Arizona project in Arizona and New Mexico, which is the original and underlying purpose of H.R. 3300. I support the authorization of the central Arizona project because the people of the State of Arizona are entitled to the use of 2.8 million acre-feet of Colorado River water as adjudicated by the Supreme Court of the United States in *Arizona* v. *California, et al.* 373 U.S. 546 (1963).

In support of this position I shall offer at the appropriate time an amendment in the nature of a substitute for H.R. 3300, which authorizes the central Arizona project without the extorted provisions contained in H.R. 3300. The substitute which I shall offer is similar to legislation which has passed the other body.

The central Arizona project has had a long and troubled history. Bills to authorize construction of the central Arizona project were first introduced in the Congress in 1947–48.

Hearings on this legislation have always centered on the legal rights and availability of water. In 1951, I offered

the motion which resulted in the committee's action that sent the States of Arizona and California into the Supreme Court to decide these questions.

Arizona won the lawsuit. Arizona won it fairly and handsomely. Arizona is entitled to the fruits of that victory without the extorted provisions and conditions imposed upon Arizona by California, Colorado, and the other basin States as contained in H.R. 3300.

H.R. 3300, with its many direct authorizations, its open-ended authorization, its limitations, protections, conditions, exceptions, and consent for suit against the United States, seriously opens to question the basic purpose and merits of this legislation.

H.R. 3300, as amended and reported by the House Committee on Interior and Insular Affairs, constitutes an unreasonable demand upon the people of the State of Arizona, as the price they must pay to the other basin States for their support of the central Arizona project. Arizona should not be required to pay a price as the result of her victory in the Supreme Court of the United States.

Nor should the Congress of the United States require Arizona to pay this ransom by authorizing the Colorado River Basin Project Act. The Congress should not be placed in this position because in the gathering storm underlying this legislation hangs the future of the Federal reclamation program. The importance of this Federal program to the future of this Nation and its people cannot be overstated. Its curtailment or nonexistence is obvious.

Notwithstanding these matters of national interest and concern, the other basin States insist upon eviscerating Arizona's Supreme Court victory as their price for supporting the authorization of the central Arizona project. Faced with such opposition, Arizona has unwillingly and reluctantly accepted the provisions of H.R. 3300, which provides:

First, a guaranteed priority to the State of California in perpetuity of 4.4 million acre-feet of water each year—an amount to which California is entitled only if there is 7,500,000 acre-feet available in the mainstream of the Colorado River below Lee Ferry, but not otherwise;

Second, that satisfaction of the requirements of the Mexican Water Treaty constitute a national obligation and the first obligation of any water augmentation project;

Third, provisions providing for the augmentation of the water supplies of the Colorado River based upon studies the expenses of which shall be borne by all the States; and

Fourth, provisions which authorize new projects in the upper basin and guarantee that their future water needs are not endangered in any way.

H.R. 3300 is similar to H.R. 4671, a bill also cited as the Colorado River Basin Project Act, which was reported by the committee during the 89th Congress. H.R. 4671 was not acted upon in the 89th Congress for at least two reasons: First, the highly controversial provisions which included the authorization of dams in the Grand Canyon; and, second, a withdrawal and breach by the other basin States of their agreement with Arizona.

Immediately after the 90th Congress convened, bills were again introduced in both Houses to authorize the central Arizona project and the Colorado River Basin project. In the hearings before the committee on H.R. 3300, Arizona testified that she could not wait to solve all the water problems of the Southwest. And, in reference to H.R. 4671 of the 89th Congress, Arizona testified:

> It was large, it was expensive, and it was ambitious. And, we regret to say, it was highly controversial. It included some elements which continue to be controversial—elements flatly unacceptable to some segments of the public.

In response to a California comparison of H.R. 3300 and H.R. 4671, Arizona responded in part:

> We think realistically, if we are to get the Central Arizona Project and go forward on the water needs of the region, that we have to have something that is reduced in scope.

The pleas of Arizona were for naught as the other States of the basin insisted on dictating a bill which would attempt to solve many of the present and future water problems of the entire Southwest. In doing so, the other States of the basin have assumed a congressional responsibility to allocate shortages of water in the Colorado River Basin in a self-serving way.

A comparison of H.R. 3300, as reported, and H.R. 4671, as reported in the 89th Congress is most interesting.

H.R. 4671 was regional in scope and raised a number of issues of national concern. This bill included authorization of the central Arizona project; establishment of a National Water Commission; provisions for augmentation studies, including studies of transbasin diversions of water; provisions making the Mexican Water Treaty a national obligation and satisfaction of the treaty requirements from water to be imported from other river basins; authorization of Hualapai and Marble Canyon Dams; establishment of a basin development fund; provision for a 4.4 million acre-feet guarantee to California; authorization of participating projects in the upper basin; and various other provisions reflecting the results of interstate negotiations.

H.R. 3300, as amended and reported, is by comparison a bill which is regional in scope and raises a number of issues of national concern. The bill includes the authorization of the central Arizona project; provisions for augmentation studies, including studies of transbasin diversions of water; provisions making the Mexican Water Treaty a national obligation with satisfaction of the treaty requirements the first obligation of water to be imported from other river basins; establishment of a basin development fund; provisions for a 4.4 million acre-feet guarantee to the State of California in perpetuity; authorization of numerous projects in the Upper Basin; and various provisions reflecting the results of interstate negotiations.

H.R. 4671, as reported in the 89th Congress, involved Federal expenditures of $1,756,438,000. This figure did not include the costs of studies and importation works factually estimated to cost an additional $8,000,000,000.

H.R. 3300, as reported in this 90th Congress, involves Federal expenditures conservatively of approximately $1,286,000,000. This amount does not include the costs of the studies for importing 2½ million acre-feet of water for satisfying the requirements of the Mexican Water Treaty, or the costs of the associated studies, plans, and reports.

This comparison reveals very little difference between H.R. 4671 of the 89th Congress and H.R. 3300 of the 90th Congress. Despite her plea, Arizona is again being required to bear the burden of an expensive, ambitious, and controversial regional water plan under the guise of basinwide support for the central Arizona project. Moreover H.R. 3300 as amended and reported by the Committee on Interior and Insular Affairs, goes far beyond the recommendations of the administration in support of this legislation.

The issue of water availability for the central Arizona project was again the major consideration during the committee hearings on this legislation. The other basin States have consistently maintained there is not sufficient water available to authorize an economic and financially feasible central Arizona project.

The committee concluded in reporting similar legislation during the 89th Congress that a full water supply from the Colorado River will be available for the central Arizona project until some time during the decade 1990–2000.

In reporting H.R. 3300, the committee arrives, on page 40 of the committee report, at a somewhat different conclusion, which is a follows:

> 4. Based upon the studies that have been examined by the Committee and its staff, the Committee believes that 1,200,000 acre-feet can reasonably be expected for the Central Arizona Project until sometime during the decade 1985–1995.

The committee report on H.R. 3300 gives no explanation or reason for the different conclusion on this point in reporting this legislation to the 90th Congress. However, testimony by the Department of the Interior before the committee on water available for the central Arizona project clearly established, first, that the testimony of the Department of the Interior pertaining to Colorado River water supplies was based upon detailed and complete studies; and second, that those studies clearly show a full water supply available for a feasible central Arizona project until the period 1990–2010.

It is interesting to note that the other basin States consistently attempted to impeach the validity of the studies performed by the Department of the Interior on the basis of different conclusions by other independent studies. This is most interesting because the same basin States insist on the inclusion of the controversial provisions of title II of H.R. 3300 which require the Department of the Interior to prepare reconnaissance and feasibility studies and investigations providing for augmentation of the water resources of the Colorado River.

Title II of H.R. 3300, in my opinion, duplicates already existing authority for

comprehensive regional and river basin planning, including transbasin diversions of water. Such authority already exists in the Water Resources Planning Act—Public Law 89-90, 79 Stat. 244. And, notwithstanding the fact that I am a member of the loyal opposition, I must agree with the testimony of the administration on this point, that the National Water Commission, established pursuant to bills which have passed both Houses of this Congress, "is the appropriate entity to undertake an evaluation of basic issues relative to Colorado River water supply problems."

The provisions of title II of H.R. 3300 are so controversial that they should be stricken from the bill. The reasons for striking these highly controversial provisions are simply: First, the authority to conduct the type of studies authorized by H.R. 3300 already exists as has been previously pointed out; second, the committee did not have available the preliminary information or cost analysis to justify authorization of the study provisions of title II; and third, the Congress does not have available the necessary information as to costs of the studies authorized in title II to justify their authorization.

One other important point should be carefully observed concerning title II of H.R. 3300, and that is that the study provisions therein make the responsibility of augmenting the water supply of the Colorado River and the costs associated therewith a Federal responsibility to be paid for by all the taxpayers of the United States and not a responsibility, fiscal or otherwise, of the Colorado River Basin States.

This Federal responsibility to augment the water supply of the Colorado River was most cleverly created and designed by the Colorado River Basin States to arise from the requirements of the Mexican Water Treaty.

The provisions of section 202 of H.R. 3300, which declare that the satisfaction of the burdens of the Mexican Water Treaty constitute a national obligation raises an issue of national concern to the States of this Nation lying outside the Colorado River Basin.

This provision of H.R. 3300 will shift the burden of the Mexican Water Treaty from the Colorado River where it belongs to the other States of this Nation, where it does not belong, and at the expense of the people of the United States who should not bear it.

The position of the seven Colorado River Basin States on this issue is quite clear and has been proudly stated in this matter:

> In our bill last year we had a little feature that went almost completely unnoticed, and there was little controversy about it. That feature provided that the federal government would assume the Mexican Treaty burden, picking up the tab for the first 2.5 million acre-feet of augmentation of the river. That little item, all by itself, could mean perhaps about $2.5 billion to the states of Colorado River Basin, the equivalent of about two Hualapai Dams. I think such a transfer of that burden is still possible and ought to be getting our maximum attention and effort. I think that what we can do for ourselves in this area is a lot more important than grousing about the loss of those two dams.

The logic of the Colorado River Basin States in attempting to shift the burden of the Mexican Water Treaty is most interesting. The basin States have started from the premise that the Colorado River is a river short of water. They then concluded that the reason the river is short of water is because the satisfaction of the burdens of the Mexican Water Treaty is a requirement of the river. The basin States then concluded that this burden is a Federal requirement placed there by Federal authority and therefore not the responsibility of the Colorado River Basin States.

It was then concluded that if the river is to meet the future consumptive uses of an economically expanding area, augmentation of the water supply of the Colorado River is mandatory. The question then followed as to how augmentation could be accomplished and at whose expense.

Title II, section 202, is the result of that logic and concludes that since the Federal Government burdened the river with the requirement to deliver 1.5 million acre-feet of water annually, plus losses, to the Republic of Mexico, the Federal Government should therefore assume this obligation and be responsible for augmenting the water resources of the Colorado River and the costs associated therewith.

The Colorado River Basin States, all of them, knew as early at 1922, at the time of the Colorado River Compact, that the Republic of Mexico had been using and was entitled to the use of the water in the Colorado River. They have all known since 1944, when the Mexican Water Treaty was ratified, precisely what amount of water that would be.

The discussions of water for Mexico occupied a prominent part in the negotiations for the compact between the basin States. Now, the Colorado River Basin States have concluded that the apportionment of Colorado River water to Mexico under the treaty was done on the basis of a mistake in judgment as to the amount of water in the Colorado River.

The Colorado River Basin States have thus stated, a fortiori, the Federal Government has a responsibility to correct this mistake in judgment and should do so by assuming the obligations of the Mexican Water Treaty.

With this logic I cannot agree. This shallow reasoning covertly attempts to saddle the other States of the Nation with the costs of studying, planning and augmenting the water supply of the Colorado River as a Federal responsibility and not a responsibility of the seven basin States.

Assuming the Mexican Water Treaty may have been negotiated on the basis of a mistake in judgment as to the amount of water available for delivery to Mexico, such mistake appears to be a unilateral mistake to which the seven States of the Colorado River Basin long ago assented. There is no evidence of a mutual mistake of fact in the negotiation of the Mexican Water Treaty which in equity might call for the rescission or renegotiation of this agreement. The burdens of the Mexican Water Treaty should not now be the subject of internal unilateral negotiation.

The Mexican Water Treaty is as much a fact of life for the States of the Colorado River Basin as it is for the Federal Government. The treaty is as much a part of the "law of the river" to which the basin States pledge their allegiance day in and day out, when it suits them to do so—as is the geology of the area or the paucity of precipitation that is one of its characteristics. And, the basin States ought to have planned accordingly.

If there were no Mexican Treaty and these States were planning a project to import 2,500,000 acre-feet of water into their basin to bolster their water-short economy, there is no question but that they would be obligated to pay for it. The case is no different here. For what absolving them from the burden of the Mexican Treaty means is that they will have 2,500,000 acre-feet of water more than they now have to bolster that same economy. They should be required to pay for it either out of power revenues or from taxes on themselves or by some other means, and project planning should be required to proceed on the assumption that they will have to do so.

The bill, as amended, goes further than this. It is abundantly clear that all costs associated with bringing these 2,500,000 acre-feet of water into the Colorado Basin will be nonreimbursable, but the bill is seductively vague on how the costs of the other investigations and studies will be allocated. Absent anything in the bill to the contrary, I read this as an invitation to assign all the basic costs of the works to satisfying the Mexican Treaty requirement. I read it, in other words, as an invitation to load on the American taxpayer not only the Mexican Treaty's proportionate share of the cost of the importation works but a good deal more than this in addition. This is unjustified.

Title V of H.R. 3300, which authorizes participating projects in the Upper Colorado River Basin is another feature of this bill which I oppose.

The authorization of these upper basin participating projects and the inclusion of a number of provisions affecting the Upper and Lower Colorado River Basin relationships constitute the ransom extorted by the States of the Upper Colorado River Basin as their price for supporting the authorization of the central Arizona project.

Considerable testimony before the committee concerned the availability of water and the rate of upper basin depletions which would occur by the authorization and construction of the upper basin projects. As a result of the time consumed on the rate of upper basin depletions, the committee received little or no testimony concerning the economic or financial feasibility of the upper basin projects.

In authorizing these upper basin projects, H.R. 3300, again goes far beyond the position of the administration in support of this legislation. In transmitting the planning reports on these projects to the

Congress, only two projects were recommended by the administration for authorization. The Bureau of the Budget has recommended deferral of three other projects pending the establishment of a National Water Commission and completion of its review of water problems.

In view of the position of the administration, and the lack of testimony before the committee on the economic and financial justification of these upper basin projects, these projects should not be authorized by H.R. 3300. Authorization of the upper basin projects without detailed testimony on their economic and financial feasibility is, in my opinion, an outstanding example of improper water resource development planning.

Mr. Chairman, proper water resource development and planning has long called for the authorization of the central Arizona project in Arizona and New Mexico. The need for the authorization of the central Arizona project has long been known. It is needed to maintain the existing economy of Arizona and to supply the needs of growing municipal and industrial uses.

It follows, Mr. Chairman, that the next logical step in the water resource development of the Colorado River Basin is the authorization, construction, operation, and maintenance of the central Arizona project.

H.R. 3300 does not, in my opinion, present a long-range regional water development plan based upon completed studies and reports so important for intelligent water resource planning. If this Nation is to have a viable Federal reclamation program in the future, if we are to encourage progress in the economic development of the Southwestern United States, we must proceed at a pace in which this Nation and its people have the capacity to perform. I suggest, therefore, that in the absence of the detailed studies and reports authorized in H.R. 3300, that we proceed one step at a time and authorize the central Arizona project.

Mr. ASPINALL. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. JOHNSON].

Mr. Chairman, will the gentleman yield to me?

Mr. JOHNSON of California. I yield to my chairman.

Mr. ASPINALL. Is it not true that the bill that was passed over from the other body last year is a much more expensive bill than this particular legislation now before the House?

Mr. JOHNSON of California. Yes, it was.

Mr. ASPINALL. Is it not also true that that which is proposed in the House bill is at least $50 million less than which was proposed in the other body, just for the central Arizona project, last year because of the fact that we have reduced the aqueduct from a 3,000-cubic-feet-per-second time to 2,500-cubic-feet-per-second time?

Mr. JOHNSON of California. That is right.

Mr. ASPINALL. May I ask, also, is it not true that we have never stated that the central Arizona project itself is not a financially feasible project? In fact, in the report on page 40, paragraph 9, we show it is a financially feasible one but also go further and state that there will not be any water for this project a few years after the cost of the project has been repaid? Is that not true?

Mr. JOHNSON of California. That is correct.

Mr. ASPINALL. Is it not also true, Mr. JOHNSON, the conferees of the Colorado River compact sitting in Santa Fe, N. Mex., and other places, came to the conclusion that there was a minimum of 16.5 million acre-feet of water in the river annually?

Mr. JOHNSON of California. That is the figure that was considered at that time.

Mr. ASPINALL. And they also went further and made provision in the compact to divide the surpluses which would be in excess of that.

Mr. JOHNSON of California. That is true.

Mr. Chairman, it has been my privilege, as chairman of the Subcommittee on Irrigation and Reclamation, to conduct the hearings and preside over the committee's consideration of the legislation we bring before the House today.

The Interior and Insular Affairs Committee has given more time and more study to this legislation than to any other legislative matter we have considered in recent years.

During the time the committee has had this legislation under active consideration, the States of the Colorado River Basin have been negotiating with respect to its provisions, and these negotiations, of course, had an important bearing on the language finally approved.

Each of the States has made important concessions in order to obtain a bill that is acceptable to the States and the Nation.

H.R. 3300 has the endorsement of all of the Colorado Basin States with the exception of Wyoming.

However, we believe that the bill provides adequate protection for Wyoming as well as the other basin States.

The committee-approved legislation also has the endorsement of the Department of the Interior and the support of the administration.

Mr. Chairman, as chairman of the subcommittee that handled this legislation, I would like to briefly review some of the more important provisions of the bill.

It is significant, I believe that title I states that the objective of this legislation is to provide for the comprehensive development of the water resources of the Colorado River Basin, including provision for additional and adequate water supplies throughout the basin.

This statement of purpose establishes this legislation as the key to future development of the water resources throughout the western part of the United States.

Title II covers the investigations and planning required to carry out the objective just stated.

The studies in section 201 are to be conducted by the Secretary of the Interior under general criteria established by the Water Resources Council and in consultation with the affected States.

A reconnaissance report considering future water requirements and all alternative ways of meeting these requirements, including weather modification, desalination, and importation, is due in 1973.

A limited feasibility study for 2.5 million acre-feet per year would be completed in 1975.

These dates will allow for congressional consideration of the results of the Federal-State studies now under way throughout the West, State water plans, and the policy recommendations of the proposed National Water Commission.

H.R. 3300 recognizes that the Mexican Water Treaty is a national obligation and not that of the Colorado River Basin States.

The Colorado River portion of the Mexican Water Treaty did not provide any benefit to these States.

The history of the Mexican Water Treaty shows that the overriding issue during negotiation was to have the treaty ratified prior to the United Nations organizational conference of 1945.

National interest required passage of this treaty so that the United States could successfully pursue other international issues of importance to the Nation.

Thus, the treaty was entered into by the United States in the interests of international comity and to enhance the Nation's position of world leadership.

If, on the basis of the studies provided in this legislation, augmentation works are found to be feasible and are later authorized by Congress, the cost assigned to delivering water necessary to meet the Mexican Water Treaty will be made nonreimbursable.

Section 203 is included to provide protection for States or areas of origin in the event a plan is prepared for interbasin diversions into the Colorado River system.

This protection is provided in the strongest language which the committee could develop.

States that are potential areas of export are fully protected in the following four ways:

First. Providing for a determination of the ultimate water requirements of areas of origin, including not only consumptive use requirements but all requirements such as navigation, power, and pollution control;

Second. Giving the States of origin priority of right in perpetuity;

Third. Requiring the Secretary to make sure that water supplies shall be available for use in the States of origin to satisfy their ultimate requirements at prices to users not adversely affected by exportation of water to the Colorado River system; and

Fourth. Stipulating that no recommendation for import can be made by the Secretary of the Interior unless approved by the States affected by the exportation from their areas.

Title III of H.R. 3300 provides for authorization of the central Arizona project and includes language for protection of existing uses.

The central Arizona project will be fully described by others and I shall not discuss it further except to say that the committee concluded that the central Arizona project is urgently needed, is, in effect, a rescue operation, and should be

constructed at the earliest possible date provided this is accomplished by the immediate initiation of meaningful studies to find new sources of water.

Power for pumping will be furnished from thermal power sources, with the Secretary of the Interior acquiring the right to capacity in a new large thermal plant by prepayment of the costs of a portion of such plant.

The central Arizona project is estimated to cost $779 million.

Section 301 has the effect of implementing the Supreme Court decree in Arizona against California by providing a statutory formula to cope with years of water shortage in the Colorado River.

That decree directs the Secretary to first satisfy pre-1929 rights and to allocate the remaining available water in accordance with applicable law.

This section writes the applicable law which the Secretary would have to follow.

The bill provides that when there is insufficient water, existing rights in the three States must be honored, and diversions for the central Arizona project be curtailed if necessary to accomplish this, but protection to California users is limited to 4.4 million acre-feet per year.

California has used 5.1 million acre-feet per year and has built works to divert the 5.4 million acre-feet per year included in its contracts with the Secretary of the Interior.

Thus the first impact of shortage will require California to reduce its use by up to 700,000 acre-feet per year.

The next impact of shortage will fall on Arizona.

Title III also includes special provisions for the benefit of the Indians in connection with the acquisition of Indian lands for project uses.

Section 304 relates to water contracts and places strict limitation on water use in connection with the central Arizona project.

The committee feels very strongly—and the legislation provides—that no water shall be used to bring any new agriculture lands into production.

This section also provides for construction of Hooker Dam or a suitable alternative and for additional uses in New Mexico.

Section 305 provides that water made available to the States of Arizona, California, and Nevada by augmentation, within the limits of 2.8 million acre-feet, 4.4 million acre-feet, and 300,000 acre-feet respectively, will be furnished to users at the same cost and on the same terms that would have applied if mainstream water had been available.

This provision, of course, is limited by the financial assistance available from the development fund and the satisfaction of the Mexican Water Treaty.

The Secretary, by section 306, is authorized to undertake a program for water salvage and groundwater recovery adjacent to the Colorado River, which will result in conserving an appreciable amount of water that is presently wasted.

Section 307 provides for reauthorization of the presently authorized Dixie project in Utah in order that it may receive financial assistance from the development fund established by this legislation.

Because of changes in plan and increased cost, the Dixie project authorization is increased from $42,700,000 to $58,000,000.

Title IV includes provisions for allocating cost and for repayment.

It also establishes the Lower Colorado River Basin fund to help finance the central Arizona project, the previously authorized Dixie project, and future augmentation works if they are found to be feasible.

The revenue sources for this fund, in addition to the central Arizona project and the Dixie project, are the Hoover and Parker-Davis projects and the Pacific Northwest-Pacific Southwest power intertie.

A financially sound development fund is critical to the success of any augmentation program and to resolution of the controversy over the sharing of the water shortages in the lower basin. Augmentation works will be expensive and beyond the ability of the water users in the basin to finance.

In recognition of the fact that the development fund should be dedicated primarily to future augmentation works, the committee provided that financial assistance to the central Arizona project from surplus revenues of the Hoover and Parker-Davis projects would be limited to that portion of such revenues derived from sale of such power and energy to Arizona.

H.R. 3300 also authorizes additional water resources development in the Upper Colorado River Basin by authorizing as participating projects of the Colorado River storage project the Animas-La Plata, Dolores, Dallas Creek West Divide, and San Miguel projects which together are estimated to cost $392 million.

The Uintah unit of the central Utah project is conditionally authorized.

Title V also deals with the financial problems created by the filling of Lake Powell and the resulting firm power deficiencies at Hoover Dam.

These provisions called for repayment to the Upper Colorado River Basin fund of the actual money expended out of the fund pursuant to the Glen Canyon filling criteria.

Title VI, while including certain administrative provisions, relates primarily to the establishment of guidelines for operation of the Federal reservoirs on the Colorado River in order to assure equitable treatment of all seven States of the basin.

All the Colorado River Basin States agreed to these provisions after long and arduous negotiations.

The committee believes that this language in title VI constitutes a just equitable solution to the problem of protecting future water development in the four upper division States and at the same time providing for the use of water in the lower basin States until it is required upstream.

It will establish a commonsense balance between the right of the upper division States to store water to meet future delivery requirements under the Colorado River Compact, and the lower basin's right to demand the release of water stored in the upper basin to meet lower basin consumptive uses.

Section 605 removes that stretch of the Colorado River between Hoover Dam and Glen Canyon Dam from the licensing authority of the Federal Power Commission, reserving decision with respect to any development on this stretch of the river for later action of the Congress.

This is the stretch of the river which included the controversial dams which have now been eliminated from the plan authorized in this legislation.

Mr. Chairman and Members of the House, the Colorado River Basin is living on borrowed time.

Its best chance for continued economic growth is through the enactment of H.R. 3300.

This legislation is so important and so urgent that it warrants your support even during this period of fiscal crisis.

The initial funding requirements are relatively small but the actions and procedures set in motion will mean much in terms of this Nation's future economic well-being.

I urge the approval of H.R. 3300 as amended by the committee.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. HOSMER].

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman.

Mr. RHODES of Arizona. Mr. Chairman, as the senior member of the Arizona delegation in the House of Representatives, I would like to speak in support of H.R. 3300, as recommended by the Committee on Interior and Insular Affairs. As is the case with every piece of major legislation before the Congress—it is not a "perfect" bill, but having survived the give-and-take process of negotiation and compromise, it is a good bill. It is a bill which will go far toward bringing peace to the Colorado River Basin States—and will cause these States to join together to solve the long-time future water needs of the great Pacific Southwest area of our country.

I need not tell you the long and tortuous path which this legislation has traveled to finally reach the floor of this House for debate. Others have—or will—tell you of the geography, the history, and other pertinent matters relating to the Colorado River and its 242,000 square miles of drainage area. I need not even tell you the great need which my State has for what many have referred to as a "rescue" project. Even the bill's severest critics preface their remarks and criticism with the phrase: "I'm all for the central Arizona project itself, but—." On this subject even the minority views conclude with this comment:

> We agree that Arizona's needs for supplemental water from the Colorado River are most critical and will become more so as time goes on. We agree too, that to maintain the existing economy of Arizona and to supply the needs of growing municipal and industrial use, the Central Arizona Project should be authorized without further delay.
>
> We also believe the next logical step in the water resources development of the Colorado River Basin is the authorization, construction, operation and maintenance of the Central Arizona Project.

Others will tell you of problems of Utah, Colorado, and New Mexico which this bill seeks to resolve—and yet others will explain the important compromises laboriously negotiated between all basin States and representatives of the Department of the Interior on the technical matters embodied in title VI of the bill. But I want to discuss with you two important matters—one, a matter of particular concern to Arizona and California, and the other, a budgetary matter—of concern to the entire Nation.

First, let me review briefly the bitter fight between Arizona and California which has kept our two States at each other's throats over the Colorado River for almost 50 years. Even when Arizona finally ratified the Colorado River Compact between the States of the upper basin and the lower basin and entered into a contract with the Secretary of the Interior for 2,800,000 acre-feet of Colorado River water, California was successful in blocking passage of legislation here in the House which would have authorized construction of the central Arizona project. On April 18, 1951—on motion of the gentleman from Pennsylvania [Mr. SAYLOR]—the House Interior Committee, during deliberations on central Arizona project legislation which had already passed the Senate, adopted a resolution providing that consideration of further bills relating to the central Arizona project "be postponed until such time as use of the water in the Lower Colorado River Basin is either adjudicated or binding or mutual agreement as to the use of the waters is reached by the States of the Lower Colorado River Basin."

The history of our effort is discussed in the committee report as follows:

Shortly after this resolution was adopted, an action was instituted in the Supreme Court of the United States by the State of Arizona against the State of California to obtain such an adjudication. The principal issue in this litigation concerned the relative entitlement of California and Arizona to the use of water from the Colorado River, Arizona alleging that, pursuant to the Colorado River Compact and the Boulder Canyon Project Act, Arizona was entitled to the beneficial consumptive of 2.8 million acre-feet of water each year from the Colorado River and that California's corresponding entitlement was limited to 4.4 million acre-feet.

The United States and Nevada intervened and, on the motion of California, New Mexico and Utah were added as parties in the case. The litigation was referred to a special master whose report was issued in December 1960. The opinion of the Supreme Court was rendered on June 3, 1963 (373 U.S. 546), and, 12 years after it began, the Court, on March 9, 1964, issued its decree (376 U.S. 340).

The Supreme Court findings are summarized as follows:

"The Colorado River Compact essentially divided the water between the Upper and Lower Basins, but it did not attempt to allocate water to individual States within either Basin. The Court held that neither the Compact, nor the law of prior appropriation, nor the doctrine of equitable apportionment controlled the division of Lower Basin water between the states of the Lower Basin, but that the Boulder Canyon Project Act authorized an apportionment of the lower Colorado River and hence must be used as a guide.

"In ratifying the Boulder Canyon Project Act, California covenanted—by the Act of its Legislature—to limit its annual consumption of Colorado River water to 4,400,000 acre-feet plus one-half of any surplus. Under terms of the Act, Arizona and Nevada were allocated 2,800,000 and 300,000 acre-feet respectively, with Arizona to share any surplus equally with California with provision that should Nevada contract for 4 percent of the surplus, Arizona's share of such surplus would be reduced to 46 percent.

"The apportionment of Lower Basin water was restricted to the main stream of the Colorado downstream from Lee Ferry within the United States. Each State retained exclusive use of its tributaries without charge to its apportioned water; consequently, the all-important use of the Gila River in Arizona was awarded to that State without charge against its main-stream entitlement—a key issue in the dispute.

"The Secretary of the Interior, within the confines of the Act, has authority to allocate and distribute the waters of the main stream of the Colorado in water-short years, subject to power of Congress to enlarge or diminish his authority.

"Indian reservations are given priority for water, dating from the time the lands in question became a part of the reservation."

Almost immediately following the issuance of the opinion in Arizona against California, legislation was again introduced in both Houses of the Congress to authorize the construction of the central Arizona project. But to our chagrin and great disappointment, California insisted that any acceptable central Arizona project legislation must contain a provision which would give California a priority of right in times of river shortages—limited, however, to 4.4 million acre-feet—which is about 700,000 acre-feet less than California is now using and is capable of diverting through existing facilities. Arizona took the position that this decision should wait until some time in the future when the shortage was imminent—and then be decided, as the Supreme Court had left it, by the Secretary of the Interior "under the circumstances then existing."

With the legislation stalemated in the House, the Senate in 1967 (S. 1004) recognized the equities on both sides of this issue and attempted to resolve it by giving California a priority to 4.4 million acre-feet for a period of 27 years from the date of the act. This Senate shortage formula was designed to assure repayment of the Metropolitan Water District bonds—issued to construct their great aqueduct from the Colorado River to the coastal plain of southern California—and would have provided a substantial period of time in which Arizona, California, the United States, and other Basin States could make and place in effect plans to provide supplemental water for the Colorado River Basin. However, this was completely unacceptable to California and her various interested water agencies. When the second session of this 90th Congress convened we appeared to be as far apart as ever in resolving this bitter issue.

On February 27 of this year, during the executive sessions held to mark up H.R. 3300 in the Subcommittee on Irrigation and Reclamation, the chairman of the Committee on Interior and Insular Affairs, the distinguished gentleman from Colorado, proposed a series of amendments in an effort to resolve this longstanding difference between Arizona and California. Arizona's two members of the subcommittee did not support that portion of the chairman's compromise which dealt with the 4.4 million acre-feet priority to California—and voted against the amendment. The Arizona representatives were the only members of the subcommittee to so vote and, as a consequence, the amendment to grant California a 4.4 million acre-foot priority was carried.

While this particular amendment did not meet with our approval, when considered along with the chairman's other amendments, it clearly does present a substantial improvement in the language previously contained in the California and Colorado bills. Thus once the amendment had been adopted, Arizona then considered the bill in its entirety, without undue emphasis on any one provision. When viewed in this light, the bill recommended by the committee contains so many substantial benefits for the State of Arizona that it will represent the greatest forward step for Arizona since statehood.

One of the key provisions of the bill is this provision:

The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation.

With this expression of good faith by the United States, the Federal Government may join with the basin States to find sources of augmentation. The problem now becomes one of finding the best and most economical means of augmentation—not just for the Mexican treaty, but for the ultimate future needs of the people of the Southwest.

The problem of dividing water shortages in the Colorado River becomes, to a great extent, academic if the Mexican treaty burden can be satisfied by augmentation. We are not dealing with the water supply of the river as it exists today nor as it will exist in the 1970's or in the 1980's. Shortages which will preclude the consumptive use of a full 7½ million acre-feet in the lower basin will not occur until development in the upper basin has progressed far beyond its present magnitude. Thus, there is time for the States and Federal Government to seek and find the most feasible means of augmentation to meet both the Mexican treaty requirement and added requirements for the States themselves. With the Mexican Treaty obligation satisfied, the day when there will no longer be sufficient water in the river to supply the consumptive use in the lower basin of a full 7,500,000 acre-feet per annum is postponed by many decades—and possibly forever.

Although a threat of curtailment of water supplies cannot be taken lightly, we in central Arizona do have an advantage over many other areas which look to only one source for their water supplies. The central Arizona project provides more latitude—more flexibility—than the customary municipal and industrial supply project or the customary agricultural project. In central Arizona, following completion of the project—although limited in quantity—we will have two, and in some instances, three sources

of supply; namely, the Colorado River, the groundwater basins—assuming they are not totally depleted—and the surface waters of the Gila River and its tributaries. Thus, we can afford to take an occasional limited shortage of Colorado River which would, if it were the sole source of supply, be devastating to a municipal and industrial supply project and would be harmful to an agricultural project.

Implicit in the criticism voiced by those Arizonans who would have us stand and "slug it out" with California to the bitter end—and probably end up with no project at all—is the concept that in the absence of a 4.4 million acre-foot priority to California, shortages would be shared ratably between Arizona and California. Oddly enough, many people will versed in Colorado River matters seem to have this idea. In the case of Arizona against California and others, the special master recommended that should there be less than 7.5 million acre-feet available for consumptive use in the lower basin from the mainstream of the Colorado River, whatever water was available should be divided on the basis of forty-four seventy-fifths to California, twenty-eight seventy-fifths to Arizona, and three seventy-fifths to Nevada. The Supreme Court declined to accept the master's recommendation in this regard. In lieu thereof, the Supreme Court left this decision to the discretion of the Secretary, to be made in light of the circumstances and conditions at the time of the shortage.

Absent instruction from the Congress, the disposition of the available water is left to the discretion of the Secretary. Even in the absence of a statutory 4.4 priority to California, it is entirely possible that the Secretary might elect to award California 4.4 million acre-feet in times of shortage, and hence arrive at the same end that would result from enactment of H.R. 3300, as it is presently written. One basis for such a decision might be that the California projects are older and by "the law of the West" are entitled to such priority. Certainly California would so contend and might persuade the Secretary of the validity of such an argument. Also, California would probably argue to the Secretary that such an award should be made because, under the existing priorities within the State of California, the Metropolitan aqueduct—although providing municipal water—has the lowest or poorest priority. Thus, it would be pointed out to the Secretary that any reduction in California's allotment of 4.4 million acre-feet would represent a diminution of water available to people, whereas a reduction in the water diverted to central Arizona would result only in a reduction of water available to crops.

In my opinion, these are not valid arguments, and should not prevail. There are logical and convincing rebuttals. There are, moreover, arguments to be made which are more substantive in support of the proposition that Arizona—with the Colorado River system as its sole supply—should receive a full supply of 2,800,000 acre-feet annually, even in times of shortage. However, it would waste the time of this body were I to fully delineate the various arguments which might be presented to some future Secretary at some future time under future circumstances which we cannot now foresee. It is also futile to guess how this future Secretary would react to these arguments. Certainly, in the absence of instructions from the Congress, such as those contained in this bill, we can only guess at how shortages ultimately would be shared and whether Arizona would fare better at the hands of some future Interior Secretary than she does in H.R. 3300. Suffice it to say that there is no validity in the belief so widely held that in the absence of a shortage sharing formula such as that set forth in this legislation, Arizona can rely on a more favorable division.

I am convinced that H.R. 3300, as reported by the Committee on Interior and Insular Affairs, is essential and, on balance, beneficial to the future growth and economic prosperity of the State of Arizona. I feel that I would be doing my constituents and my State the greatest possible disservice were I to do other than lend H.R. 3300 my full support.

So—in summary on this important point—if it were a matter of free choice for me alone—or for the Arizona delegation alone—we would obviously prefer a bill which fulfills our every desire on every point in issue between the States. We would prefer the bill our way without any compromises—without any concessions to California or to the other basin States. But, gentlemen, I am realist enough—and have observed the time-honored processes of this great legislative body long enough to know—that such a bill has never been enacted into law. I am realist enough to "give" a little—for the support of our sister States in the Colorado River Basin. I am realist enough to know that this bill—if it is to pass this body with the substantial majority which it is entitled to receive—must remain intact—and must not be amended even to add further benefits for my own State.

Consequently, I respectfully request—and strongly urge—my friends who might otherwise be sympathetic to Arizona's position in its longfought battle with California to forgo any impulse to come to our "rescue." Arizona's representatives in this body have come to the rational conclusion that, as a part of the overall "package," we should and will accept this compromise. We hope you can join with us in supporting the entire bill as recommended by the committee.

This is an authorization bill. It does not appropriate any money. However, it settles several longstanding disputes in the West and places in readiness a group of well-considered, badly needed public works projects—ready to go full blast whenever our economic situation permits.

Therefore, it should be passed now. Even if the Department of the Interior started to move immediately after enactment of H.R. 3300 by this Congress—I am advised by the Bureau of Reclamation that for the first year their expenditure capability is only about $2 million.

The entire funding schedule, provided by the Bureau of Reclamation, is as follows:

[In millions of dollars]

CENTRAL ARIZONA PROJECT

Year:	
1970	2.0
1971	18.7
1972	36.3
1973	59.8
1974	90.1
1975	110.4
1976	115.5
1977	99.5
1978	87.6
1979	74.0
Balance to complete [1]	85.2
Total central Arizona project	779.1

COLORADO

Year:	
1970	.3
1971	.7
1972	1.9
1973	9.4
1974	19.7
1975	24.3
1976	38.8
1977	48.0
1978	59.0
1979	51.4
Balance to complete [1]	138.3
Total Colorado	392.0

[1] The balance to complete will take from 4 to 6 years.

To bring these expenditures into proper focus—let me point out that even in the year of greatest expenditures, 1976—the impact of the central Arizona project is only sixty-one one-thousandths of 1 percent of the 1969 budget.

So, Mr. Chairman, this bill is not a threat, in any way, to the economy of the country. I ask that the House join with us now in helping to resolve these long-standing disputes in the Colorado River Basin. I ask that our Members join with us in enacting this legislation which will pave the way toward beginning these badly needed water projects.

Again I ask that the committee's recommendations be accepted in toto—and that H.R. 3300 be approved without amendment.

Mr. HOSMER. Mr. Chairman, we have heard alleged that we have some controversial monstrosity before us today that is impinging upon the rights of Arizona and on the taxpayers and a lot of similar charges.

Actually, I do not think that is quite a true picture of what we have before us. What we do, indeed, have before us is a thing of fragile compromise and delicate structure calculated to enhance and enrich both the Nation and an important region of it.

H.R. 3300 deals with the lifeblood, that is, the water, of seven important States of our Nation comprising one-twelfth of the entire land area of the continental United States. This region contains many millions of people whose welfare depends upon this river and this bill, and in the future will be the home of many, many more millions of Americans.

Now why was this fragile compromise put together instead, as the gentleman from Pennsylvania suggested, of bringing in the central Arizona project all by itself? He gave the answer when he told you that the water supply of the river is so short that the seven States involved do not have a problem of dividing up water as they do in other parts of the

country, but they have a much more difficult task of dividing up tremendous deficits in the supply and allocating those heavy burdens amongst themselves. And those burdens are made much, much heavier by the imposition by our Government, by treaty of a national obligation, as the gentleman from Pennsylvania described it, on the part of the United States to each year get 1,500,000 acre-feet of wet water down that river past these seven States to Mexico. That is a national obligation. The United States promised it.

Now when this treaty was being considered in the Senate back in 1944, they proceeded, and this will appear by quotation later in my remarks, on the basis that there were 18,000,000 acre-feet of water available from that river every year.

Thus the 16 million required by the States would be adequately handled, and the 2 million extra would adequately supply that burden to Mexico. That was the assumption of the treaty. It turned out that there was not 16 million. There was not 15 million. There is less. That shortage is the burden we are bearing. That is the burden that we are sharing by the terms of this bill. That is what these seven States, after decades of water warfare, have finally, by water statesmanship, come together, each giving what it must, in order to arrive at a a live and let live arrangement amongst them, so that each can live, so that none will suffer unfairly.

Arizona is not asking California to commit hari-kari, or Colorado to commit hari-kari, or any of the other of her neighboring States to commit hari-kari on this, and we are not asking Arizona to do so. What all of us are asking, in the form of this bill, is a chance once and for all to settle our differences, know where we stand, and to make our future certain so that we can plan for it and move ahead as a vital part of the United States of America.

What the opponents of the bill would do would be to shake it down, tear it to pieces, tear up the pieces, and gut it to a hollow shell. That is not the kind of legislation that Congress should enact. That would impose a terrible burden on a part of our land and relegate it to a future of dark uncertainty.

Now what about the national obligation of the United States taken on by the 1944 treaty? It admittedly is a national obligation of the United States to come up with the water. Do these people who oppose recognizing it want to renege on a check signed by the United States in the form of a formal treaty and force the States of this water-short area to make it good?

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. HOSMER. Will the gentleman yield further time?

Mr. SAYLOR. I will at least give the gentleman 5 additional minutes if he will yield to me.

Mr. HOSMER. I will yield to the gentleman after I receive the extra minutes that he is going to give me in addition to the second 5.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from California.

Mr. HOSMER. We look to the United States not to push this burden on these seven States, but to carry out its obligation as it told Mexico it was going to do, and that is going to require a little money.

There was no quibbling in this Congress when we faced the Chamizal situation down in San Antonio. There was an international lawsuit between the United States and Mexico, and some of the land of the United States was ordered ceded to Mexico.

What happened then? Did the United States say to Texas that Texas had to give up that land? Did the landowners have to do it? No, they said, "This is a national obligation." Uncle Sam spent $39 million buying dirt and soil to carry out this national obligation to Mexico.

What is the difference in the case of water? It is still a national obligation and it ought to be carried out by the Nation.

We had a treaty with Canada on the St. Lawrence Seaway. We spent billions of dollars on that water project. What happened? The States along the seaway and the States in the Middle West that were getting the benefit of this—they were not asked to pay it—it was a national obligation because the Nation obligated itself by treaty, just as it obligated itself by the 1944 Mexican Water Treaty.

Now let us look at this fabulous allegation that by this legislation we are getting ourselves into the expenditure of untold billions for water importation to handle our Mexican obligation and the needs of our own States. This bill does not put up a cent for anything like that. This bill authorizes some studies to be made as to how we might augment the water supply and, contrary to what you have been told, the record shows what it will cost, and it is between $12 and $16 million for such studies.

When the studies are made, then we can have before this body something with a price tag on it, something with specifications, something that Congress can pick or choose or turn up or turn down. But we cannot have even that unless we provide for and make the studies.

We are not obligated for one cent of importation. Those billions they are talking about and trying to scare us with are invisible, nonexistent, hypothetical billions that are conjured up and spat out in the form of some kind of dragon to frighten the Members of this body. When and if there is a study and a plan and a proposal at some date in the future, there will be a price tag on it and some future Congress will deal with it.

I want to say this. We have heard how Arizona is being tromped on. But let me explain what Arizona thinks of what her statesmen here, her Members of Congress have done, in putting together this bill and massing support behind it. The explanation comes from another Arizonan, who is Secretary of the Interior of the United States of America. This is one of the most unusual stories I have ever read. It was printed in the Arizona Republic on May 12, just 3 days ago. Here it is:

UDALL LABELS RHODES LEADER OF CENTRAL ARIZONA FIGHT

(By Ben Cole)

WASHINGTON.—Rep. John J. Rhodes, R-Ariz., is the man to carry on Arizona's battle for money to build the Central Arizona Project after Sen. Carl Hayden, D-Ariz., leaves Congress, in the opinion of Interior Secretary Stewart L. Udall.

Udall, a Democratic Party stalwart and a former congressman himself, was taking a moment's pause in a busy day to toss off some of his thoughts on politics and public affairs to an Arizona newspaperman.

The Rules Committee had just dispatched the Central Arizona Project bill to the House floor for a long-awaited decision. The secretary marveled at how far the long-fought battle has moved.

"I think my brother, Mo, (Democrat) and John Rhodes, as captains of the battle, have done one of the most effective jobs of legislative strategy that I've ever observed," Udall said. "I want them to have a great share of the credit. These two men, in the main, deserve the credit. Never once has anyone played politics with the Central Arizona Project . . ."

Then, unexpectedly, "I have a feeling that now that Carl Hayden is retiring, John Rhodes, because he is the senior Republican on the public works appropriations subcommittee, is in a position to carry on where Hayden is leaving off. His position is extremely vital in the next few years."

Udall observed that Rhodes had at last chosen to make a career in the House.

"He is young, yet he is the senior Republican on that subcommittee," Udall reiterated. The Democrats would be wise, now, to do what the Republicans used to do for Hayden—they gave him only token opposition for over a decade or so, because his seniority was so important to the state. I think the Democrats ought to do this for John Rhodes."

(Rhodes came to Congress in 1953, has advanced steadily in the Republican ranks and is now GOP policy committee chairman. He at one time hoped to run for the Senate, but now would have to surrender his long House seniority; and former Sen. Barry M. Goldwater, R-Ariz., is seeking Hayden's place while Sen. Paul Fannin, R-Ariz., has the other Arizona seat. It is unlikely Rhodes would oppose either of them. Hence, his future would appear to be in the House where it is conceivable he will one day be speaker or party leader.)

A Democratic Secretary of the Interior of the United States, a former Member of this body, says that his brother and our Republican colleague, the gentleman from Arizona [Mr. RHODES], has led his State into such a fine position by bringing this bill together and onto the floor today for enactment, and he is so important to this project, which is so acceptable to Arizona, that he, like Senator HAYDEN on the other side, should only have token opposition for so long as it takes, after we pass this authorization, to get it financed and pouring water into that State.

Mr. Chairman, California is united in support of H.R 3300. Her entire congressional delegation in both Houses is on record to that effect. It carries out, in full, the objectives stated in a resolution of the Colorado River Board of California, adopted January 24, 1968, which is to be printed following my remarks. It is endorsed by all six of the public agencies represented on the Colorado River Board. These are the Metropolitan

Water District of Southern California, the Imperial Irrigation District, the Department of Water and Power of the City of Los Angeles, Coachella Valley County Water District, San Diego County Water Authority, and Palo Verde Irrigation District. The bill in its present form is endorsed and supported by Gov. Ronald Reagan and his principal spokesman, William Gianelli, director of the department of water resources. It is approved by Attorney General Thomas C. Lynch. His legal opinion rendered to the Colorado River Board of California also will appear below.

California's objectives have been, and are, first, the protection of our existing uses; second, augmentation of the river; third, financing to assure that augmentation. On these conditions, we can and do support those provisions of the bill which authorize the central Arizona project and other provisions which are for the benefit of the upper basin States.

GENERAL BACKGROUND

Of these objectives, the one which has caused the greatest difficulty between Arizona and California, and which this bill satisfactorily resolves, is the shortage formula. Another very vital subject the bill deals with is the Mexican Treaty burden. After discussing the general background of this legislation I shall discuss these two features in some detail so that this record may be inclusive. In Hollywood's wild West it is easy to spot the good guys—they wear white hats. In today's real life West it is not so easy. A gigantic water battle wages and both sides deck out in the white of righteousness. The result is somewhat confusing, particularly here in Congress where the struggle now focuses.

The battle and its issues are wrapped up in H.R. 3300, the bill before us to authorize $1.3 billion for eventual construction of a series of projects to permit growth in the arid West. It will benefit seven States and affect a vast area of approximately 242,000 square miles—about one-twelfth of the continental United States. Mexico, our neighbor to the south, has a stake in it too, for the lower reaches of the Colorado wind through that country to the Gulf of California. The whole Nation, however, is the real beneficiary because its strength is the aggregate of the strength of its various regions.

The project's proponents are the responsible water officials of Utah, Wyoming, Colorado, New Mexico, Nevada, Arizona, and California. Faced with spectacularly rising population curves and burgeoning new demands for municipal, industrial, and agricultural water, they foresee a bleak future of drought and economic stagnation unless H.R. 3300 is enacted. Further, they see in the sensible revenue provisions of the measure a practical means to price water within reasonable relationship to its users' ability to pay.

The project's opponents are a coalition of objectors who I believe are generally well meaning but fail to remember or realize that only by bold investments in our country's future and through the process of cooperation between the States and regions can that future be preserved and the general welfare of America assured.

Basic to this battle is the conflict which inescapably occurs when a dynamic, expanding society reaches physical boundaries tending to contain it. For centuries the consequence in Europe has been bloody wars. In America it has been water wars.

How did the fight begin? What are the facts and fancy?

The beginning was long ago. The current battle is only the latest of a century-long series of water wars dotting the history of the arid West. Pioneers turned to the Colorado's waters for their needs when the States involved first were settled. By the law of the West appropriation of water for "beneficial consumptive use" creates a right to continue that use indefinitely against subsequent appropriators. While the land remained sparsely settled water rivalries arose on a local basis. Later, as population increased, more rapidly growing States, particularly the southern section of California, begin appropriating uses of the Colorado's water at a rate alarming to the others. Growing California, it was feared, would lay claim to a lion's share by prior appropriation before maturity in the other States would grant them their rights. Local rivalries ripened to interstate contests.

Defensive actions by California's neighbors took the form of blocking her reclamation projects in the Senate. Their success hinged on the fact that smallness of a State's population does not dilute its political power in that body. Senators from the Upper Colorado River Basin States of Wyoming, Utah, New Mexico, and Colorado ganged up with Arizona's and Nevada's to outvote the two from California, the other lower basin partner.

Not until 1922 was the impasse partly broken by a compact amongst the seven Colorado River Basin States negotiated at Santa Fe, N. Mex., under guidance of Herbert Hoover, just back from Europe as post-World War I food relief czar. The compact did not divide the Colorado's water amongst the States, but between the upper and lower basins, with the dividing line at Lee Ferry in northern Arizona. It left to the respective States the further task of allocating basin entitlements between them.

The compact was written in acre-foot terminology—an amount of water covering an acre of land to a depth of one foot, roughly 325,000 gallons. Along with other provisions, it gave each basin a right to beneficial consumptive use of 7½ million acre-feet annually. The lower basin was authorized to increase its use by 1 million acre-feet per year if surplus water was available. Water to which Mexico might be entitled, and the amount was assumed to be small, was to be deducted first from the surplus and then equally from each basin's allocation. With this exception the basins now were freed to appropriate water permanently to beneficial consumptive use up to the limits of the compact and, on a temporary basis, use water in excess of that amount until uses in the other basin required its retention. The slower developing upper basin was protected against the fast developing lower basin, exemplified by California.

Without the pressure of rapid growth and expansion during the 1920–50 period, the upper basin moved leisurely and amicably to an agreement in 1948 dividing up their water.

The situation was quite different to the south. Arid southern California desperately wanted the Boulder Canyon project based on Hoover Dam. It wanted the all-American canal to make Imperial Valley an oasis. It wanted large-scale importation of Colorado River water to its coastal plain via a massive aqueduct planned by the Metropolitan Water District of Southern California. Arizona wanted none of this. Its strategy was to throw every possible roadblock against acquisition of water rights by the growing giant next door. It refused even to ratify the 1922 agreement. It declined to agree on a division of Lower Basin water. In Congress it fought a bitter delaying action against the Boulder Canyon Project Act, first introduced in 1922, and stalled from passage until 1928.

Congress, wearied of the running Arizona-California feud, determined by that act to settle it. It said before Hoover Dam could be started, California must renounce all claims to over 4.4 million acre-feet annually of Colorado River water, plus one-half of surplus waters, if any. A 2.8 million acre-feet allocation was suggested for Arizona and 300,000 acre-feet for Nevada. In 1929 the California legislature agreed to the limitation. Thus began the process of writing a formula to allocate equitably the shortages of the river. That process we are continuing here today. Construction of Hoover Dam at last began in 1930 despite threats by Arizona's Governor to call out his National Guard to halt the groundbreaking. It was not until 1944 that Arizona reluctantly ratified the Santa Fe compact in order to sign a contract with the Department of the Interior for its stipulated 2.8 million acre-feet of water.

During that same World War II year, 1944, a treaty with Mexico was ratified giving it a surprisingly large 1.5 million acre-feet of the Colorado's water annually. The actual burden of this treaty is not 1.5, but approximately 1.8 million acre-feet to account for water lost through evaporation and regulation of the delivery to Mexico.

By itself the superimposed Mexican Treaty burden was an unexpected, but not staggering blow. Taken with more complete data on the Colorado River's actual water supply accumulated following the compact, it ran up a life-sized red warning flag. The Santa Fe negotiators, it turned out, had divided up more water than the river supplied. This deficit now was to be augmented further by the imposing treaty burden. The gap between water expectations and water realizations of the States was staggering. In short, the water bankruptcy of the river became clear and certain.

The seeds of violent controversy between the States along its banks again were sown. This time the mere division of an assumed water sufficiency was not the issue. The dispute transmuted to a

dreaded responsibility to allocate a frightening deficiency. Arizona moved quickly in 1946 to insulate itself from any deficiency allocation by asking Congress for the central Arizona project measured by the State's full 2.8 million acre-feet claim, undepleted by any shortages in supply. California and others countermoved by stalling legislation. Frustrated in Congress, Arizona moved its battle to a new arena in 1952. It filed suit against California in the Supreme Court to enforce its hopes and desires.

The Court rendered its decision in 1963. It refused to consider the question of deficits. That hot potato was tossed back to the Secretary of the Interior and Congress. In the process California's 4.4 million acre-feet paper allocation of water was confirmed. The Court further decreed that the considerable waters of an Arizona tributary of the Colorado, the Gila River, need not be counted against Arizona's 2.8 million acre-feet paper allocation. This was a bitter blow to California as it meant, in practical effect, the Colorado River's deficit was not to be lessened by the Gila's estimated 1.75 million acre-feet flow.

Anticipating the possibility of a dismal day in court, California fought hard during the mid-1950's to delay legislation sought by the upper basin States to approach their compact entitlements use of Colorado River water. Water rights and compacts to the contrary, California theorized that as long as wet water flows down the river it is not held upstream and consequently is available for use in existing California projects. She gained 4 years delaying passing of the upper basin's Colorado River storage project until 1956.

This contest marked the beginning of the current truce on bickering between the river States. It became apparent to California as well as to the others that fighting between themselves offers no real solution to the basic problem common to all: water bankruptcy of the river. Each passing year has brought a closer realization that the river's water ledger must be brought out of the red by a substantial augmentation of water supply. Within 20 years the actual wet water to meet California's 4.4 million acre-feet entitlement will not be flowing due to new uses upstream. Should the central Arizona project be built, its situation will be the same. Only a little farther in the future will the same consequences plague upper basin States. Their entitlement by the compact may meet their needs, but water actually available will not.

Out of the decade's background of bitterness that I have recited the water statesmen of these warring States at last have achieved a fair peace. Its equitable terms are embodied in the provisions of H.R. 3300. It is before you now for ratification. If you will but do so, the West and the Nation will be enhanced.

Although the seven Colorado River States may agree on little else, all are now convinced that a dire future of drought can be avoided only by augmentation of their river basin's deficit water supply through augmentation by some means: importation of surplus, unused, unneeded water from sources outside the natural drainage basins of the Southwest, desalination, weather modification, and other means as H.R. 3300 would study. And at this point it must be emphasized that absolutely no proposal for importation could be made unless it fully provides for the water needs of any area of origin. Of equal importance the bill provides for a means for repaying the cost of the projects authorized by a basin fund into which revenues will pour, not only for this purpose but also to pay for any augmentation measures which may later be found appropriate and which, of course, are approved by Congress and all States involved. The bill states that the cost of supplying the first 1.5 million acre-feet of augmentation logically ought to be a national obligation since the obligation to supply that amount of water to Mexico is a national obligation assumed by solemn treaty. However, this legislation does not make it a national obligation or commit the United States to spend a cent of money on augmentation to supply the Mexican burden. It states only this Congress' feeling as to the equities involved. Any future Congress which actually takes up the augmentation implementation is wholly free to say how it shall be financed.

This bill includes other features acceptable to all seven States by way of give-and-take compromises, such as:

Authorization of the central Arizona project for Arizona.

Authorization of five new participating projects for the upper basin.

Assurance to California that calculation and allocation of the river's water deficit will acknowledge its prior acceptance of the first burden of shortages by limiting itself.

A provision guaranteeing first claim to the areas of origin of water imported from them. That is to say, not one drop of water they need can ever be taken away from them.

Despite the area-of-origin protective clause, States of the Pacific Northwest—Washington, Oregon, Idaho, and Montana—violently oppose the legislation. They fear imports will come from their Columbia River. Such opposition is not rational in context of these States' amply generous water supply. It is only explainable by the fact that they have such an excess of water in relation to their needs that they have never studied carefully what their present and future needs are. They have not studied it carefully in relation to possible future needs based on expansion during the decades ahead. They do not want to take chances on unknowns. Further, their numerous Congressmen, Senators, Governors, and candidates for office at all levels find mounting a crusade "to save the Northwest's water from greedy California" is much more productive at the polls than debating more controversial issues. Otherwise they would not ignore the total effectiveness of the protective clause. There is as much chance of imports from northern California as there is from the Pacific Northwest. In California we are already moving our water around the State under such protection and we know it is ironclad and it works.

There can be but two alternative results of this battle. If good sense prevails, H.R. 3300 will pass without crippling amendments and the West will have water. If the opposition's campaign succeeds, there will be disastrous and lasting water shortage throughout one-twelfth of the U.S. continent. Down the drain with the wreckage will go the water future of my own and six neighboring States. Funds for and hopes of augmenting the Colorado River's inadequate water supply will not be available. Even studies aimed at water augmentation will be scrapped and so will relief from the Mexican treaty burden. A delicately structured compromise will be brutally shattered and the Colorado River States will be relegated to a hopeless future of internecine water warfare. Arizona does not ask for prostitution of the legislation to a parochial central Arizona promotion by the elimination of these features which make it a regional plan valuable to all seven States. Colorado does not ask for special preferment, nor does California nor Utah nor any other States involved ask another to commit water hara-kari. Why should these pleaders from everywhere ask us to do so?

As a Californian, I am further concerned that the bogus fears of the politicians from the Pacific Northwest or the groundless and unfair reluctance and refusal to own up to a national treaty obligation or the "central Arizona project only" flim-flam or the callous rejection of a fairly arrived at settlement of the decades-old Arizona-California dispute or other bill-gutting maneuvers may recklessly murder this plan so interwoven with the destiny of the West.

I plead that crippling amendments to this bill be beat down and that it receive your approving vote intact so that 30 million of your fellow citizens may have the opportunity to develop their precious water resources in harmony and plan wisely together for the future's many more millions of Americans who will inherit and inhabit this land and who must have their opportunity to make it grow apace with the rest of our Nation.

Now I wish to discuss in detail two features of the bill before us that I have mentioned in a general way. These are the Mexican Treaty burden and the 4.4 shortage formula.

THE MEXICAN WATER TREATY

The Colorado River Basin project bill, faces up to the fact that performance of the wartime Mexican Water Treaty is causing a water shortage on the Colorado River, which will frustrate the interstate apportionment made by Congress in the 1928 Boulder Canyon Project Act, as well as the interbasin apportionment made by the Colorado River compact. Title II of the bill accordingly, and properly, directs the Secretary to investigate means of augmenting the river characterizes the treaty as a national obligation in section 202, and tells him to treat as nonreimbursable the cost of the augmentation works required to offset the treaty burden in 401. The Secretary of the Interior and the Bureau of the Budget have approved this principle.

The Secretary reported to the House Interior and Insular Affairs Committee May 17, 1965, during hearings on H.R. 4671, at page 9:

An alternative approach, of course, to assure the maintenance of main stream prices for not to exceed 1,500,000 acre-feet of imported water per annum would be to retain the nonreimbursable allocation, now provided for in section 402, to replenishment of deficiencies in main stream water occasioned by Mexican Treaty deliveries, with the limitation that the nonreimbursable costs be limited to those associated with the importation of not to exceed 1,500,000 acre-feet for replenishment purposes. In the Bureau of Budget's view this alternative, too, would be applicable if the Congress considered the Lower Colorado River situation unique.

The Bureau of the Budget had reported to the Senate Committee on Interior and Insular Affairs on May 10, 1965, on S. 1019, 89th Congress, reprinted in hearings, House Committee on Interior and Insular Affairs on H.R. 4671, 89th Congress, page 17:

The Bureau does recognize, however, that one of the important demands on the river is to provide water necessary to meet commitments made by the U.S. Government to the Republic of Mexico in the treaty of 1944. Should the Congress decide that the situation is unique, we believe that the price guarantee should be further limited to not more than 1.5 million acre-feet of water annually, the amount required to meet the U.S. treaty obligation. With this proviso, the chances would appear minimal, based on Department of the Interior estimates, that any imported water would have to carry a price higher than main stream water—at least in the period through year 2030.

The U.S. Department of Justice properly conceded, in its proposed findings and conclusions submitted to the U.S. Supreme Court's Special Master in Arizona against California at page 47:

"If such shortage should occur, it would be by reason of the Mexican Treaty obligation."

The above caption restates the second point of our Proposed Conclusion 11.15. We think argument is not necessary to support it.

Like all treaties, the Mexican Water Treaty is, of course, a national obligation, and the bill so states, but the circumstances back of this particular treaty would make it a particularly shocking injustice to impose the treaty's financial consequences on the Colorado Basin States alone.

The facts are these:

THE BOULDER CANYON PROJECT ACT (45 STAT. 1057)

In 1928 the Boulder Canyon Project Act stipulated in section 1 that the waters stored in Hoover Dam should be dedicated to "beneficial uses exclusively within the United States." The bill as reported by the Senate Committee on Irrigation and Reclamation read simply "beneficial uses within the United States." Senator Pittman, chairman of the Foreign Relations Committee and member of the reporting committee, explained in the CONGRESSIONAL RECORD of December 10, 1928, at page 338:

A treaty may never be necessary with regard to this. Whenever a treaty is necessary with regard to this matter, the burden of applying for that treaty will be on Mexico, not on the United States.

When we use this water which we store, it will be used before it can possibly get to Mexico, except such of the return as may go there. If Mexico maintains that she is being deprived of water from the Colorado River to which she is entitled, she has only one known legal remedy, and that is, through the State Department of Mexico, to protest to the State Department at Washington, to see if a harmonious adjustment can not be brought about.

We might seek to enter into a treaty with regard to what water could be used in Mexico. In the first place, you would have a question as to whether, if it was already being used, any treaty could take away any vested rights. We know no statute can, and I hold that a treaty is only a statute.

We will assume, however, as a violent conclusion, that the Secretary of State of the United States would enter into a treaty with Mexico, giving them many times the amount of water to which they were entitled, from the natural flow of this river, and, to do so, should attempt to injure some vested rights in this country, to take away from people the use of water they had been legally using for irrigation.

That treaty would have to come to this body for ratification before it would ever be a treaty. It would take two-thirds of this body to ratify it. It is totally inconceivable, if we pass this bill, which states that all of the impounded water above the natural flow shall be used exclusively in the United States, that they would ratify any such treaty. They would have just as much right to say to Meixco then, as they would have if we would pass just such a resolution as the Senator from Utah has read: "You never had any right under the comity of nations to the stored waters of our country. Your rights were solely limited to the natural flow and the use to which you put the natural flow. Then, in addition to that, the Congress of the United States passed a public act in which they stated to you and the rest of the world that all of this impounded water was to be used exclusively in the United States. You and your citizens had notice of it. You cannot complain that you are now injured because you took no notice of it."

There is not a chance in the world of Mexico ever getting anything except that which she is morally entitled to under the comity of nations, and we know just what that is.

But, to make doubly sure, the Senate added the word "exclusively."

The Congress, in the same act, granted the consent of Congress to the Colorado River compact, section 13, and directed in section 8a, that the United States and all of its water users should be controlled by that compact. Article III(c) of that compact provides:

(c) If, as a matter of international comity, the United States of America shall hereafter recognize in the United States of Mexico any right to the use of any waters of the Colorado River System, such waters shall be supplied first from the waters which are surplus over and above the aggregate of the quantities specified in paragraphs (a) and (b); and if such surplus shall prove insufficient for this purpose, then, the burden of such deficiency shall be equally borne by the Upper Basin and the Lower Basin, and whenever necessary the States of the Upper Division shall deliver at Lee Ferry water to supply one-half of the deficiency so recognized in addition to that provided in paragraph (d).

The Congress proceeded on the assumption that the water supply was substantially more than 18 million acre-feet and therefore there was at least 2 million acre-feet of "surplus" to satisfy Mexico above the 16 million acre-feet of consumptive use allocated by the compact, 7.5 million to the upper basin, per article III(a), and 8.5 million to the lower basin, per articles III (a) and (b).

Accordingly, Congress in section 4(a) directed the allocation of 7.5 million acre-feet of the water apportioned to the lower basin, 4.4 million to California, 2.8 million to Arizona, 300,000 to Nevada, and directed that the "excess" above that quantity, the million referred to in article III(b) plus the "surplus" above 8.5 million, should be equally divided between Arizona and California.

WORKS BUILT IN RELIANCE ON THE PROJECT ACT

Between 1928 and 1944 over $600 million was invested by the United States, underwritten by lower basin water and power users, and by water users in the lower basin States to put water to use in reliance on the assurance of Congress that no agreement would be made with Mexico that would invade the basic 7.5 million acre-feet that Congress had apportioned among the three lower basin States; that only the uses in excess of that quantity were at the hazard of any future treaty; and that the foreseeable surplus water would more than satisfy any probable treaty.

THE MEXICAN WATER TREATY, AND ITS MISTAKEN WATER SUPPLY ASSUMPTION

In 1941, in wartime, the State Department undertook negotiations with Mexico for a treaty to encompass the Rio Grande, where most of the water originates in Mexico but is largely used in the United States, and the Colorado, where all the water originates and is stored and conserved in the United States; Mexico contributes no water and has no sites for storage dams. Obviously, any treaty would be a trade of Colorado River water to Mexico for Rio Grande water for lands in Texas. Both nations negotiated on mistaken estimates of the water supply.

Mexico asserted that the available supply was 18,400,000 acre-feet annually, and stated, according to VI "Foreign Relations of the United States, Diplomatic Papers 1942," at page 550; published by the State Department in 1963:

This means a surplus of 2,400,000 acre-feet annually, which amount could be allowed to Mexico without injury to its northern neighbor.

Our State Department replied at page 561:

Based upon the best data presently available, the total virgin flow of the river is estimated at 18,000,000 acre-feet per annum on the average, leaving an estimated average quantity of 2,000,000 acre-feet per year to take care of reservoir losses and for future allocations in the United States. This water can all be beneficially used in the United States. Projects in operation and under construction in the lower basin of the United States at the present time will use 9,140,000 acre-feet of Colorado River water per year. This is 640,000 acre-feet more than the firm allocations of the Colorado River Compact to the lower Basin States. These projects do not comprehend the total possibilities of the lower basin.

In addition it must be borne in mind that we are here dealing with average figures which do not take into account extended periods of low run-off such as have been recently experienced, where American developments would necessarily be deprived of sufficient water if any substantial amount was guaranteed to Mexico. It is quite possible that in years of abnormal run-off 2,000,000

acre-feet of water or more could be delivered to Mexico without deprivation to lands in the United States, even after ultimate developments in the United States. In the average year, however, the amount that could be so delivered would be very much less than this figure, and during dry cycles much less than 1,000,000 acre-feet would be available without serious deprivation to American interests.

Mexico's estimates of the water supply and that amount which will be available for ultimate use were undoubtedly based on early figures which have been shown by later surveys to be inaccurate. When the Colorado River Compact was negotiated in 1922 it was assumed that total water production in the basin was about 19,000,000 acre-feet. Sixteen million acre-feet were allocated by the Compact. Subsequent stream flow records have indicated that the 1922 estimate was too high.

Later, and mistakenly, the American negotiators shifted to higher estimates. A Mexican negotiator reported to his Senate as reprinted in full in U.S. Senate Document 98, 79th Congress, and in part in Senate Document 249, 79th Congress, at page 14:

The negotiations of the treaty on the part of the American delegation and later its approval by the American Senate were made by taking as a fundamental basis the official document called the Santa Fe agreement, which with the approval of the American Federal Government distributed, since 1922, the main stream of the Colorado River among the American States of the upper and lower basins, and specified that the waters assigned to Mexico should be taken from the excess which the average virgin volume of the river (22,000,000,000 cubic meters) (17,835,000 acre-feet) had over the volume distributed among the American States of the upper and lower basins (20,000,000,000 cubic meters) (16,213,600 acre-feet). Our assignment of 1,850,000,000 cubic meters (1,500,000 acre-feet) is included, then, within the 2,000,000,000 cubic meters (1,621,000 acre-feet) of the difference.

It is clear that both the American and Mexican negotiators thought they were disposing only of waters that the Colorado River compact describes as "surplus," entailing no curtailment of uses of water apportioned by the Colorado River compact.

The treaty actually signed, in 1944, Treaty Series 994, 54 Stat. 1219, guaranteed Mexico a minimum of 1.5 million acre-feet annually, measured at the boundary. But the actual burden on the American water supply occasioned by this guarantee is about 1.8 million. This is because the United States absorbs all reservoir evaporation and channel losses, and because the treaty gives the United States credit only for water delivered in response to Mexican schedules of demands, with no credit for overdeliveries, which are unavoidable. Wartime exigencies, plus the desire to have this agreement signed before convening of the conference to organize the United Nations, accounted for some of the concessions granted Mexico. The guarantee to Mexico now known to be insupportable without grave damage to American interests—reads as follows:

ARTICLE 10

Of the waters of the Colorado River, from any and all sources, there are allotted to Mexico:

(a) A guaranteed annual quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) to be delivered in accordance with the provisions of Article 15 of this Treaty.

(b) Any other quantities arriving at the Mexican points of diversion, with the understanding that in any year in which, as determined by the United States Section, there exists a surplus of waters of the Colorado River in excess of the amount necessary to supply uses in the United States and the guaranteed quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) annually to Mexico, the United States undertakes to deliver to Mexico, in the manner set out in Article 15 of this Treaty, additional waters of the Colorado River system to provide a total quantity not to exceed 1,700,000 acre-feet (2,096,931,000 cubic meters) a year. Mexico shall acquire no right beyond that provided by this subparagraph by the use of the waters of the Colorado River system, for any purpose whatsoever in excess of 1,500,000 acre-feet (1,850,234,000 cubic meters) annually.

"In the event of extraordinary drought or serious accident to the irrigation system in the United States, thereby making it difficult for the United States to deliver the guaranteed quantity of 1,500,000 acre-feet (1,850,234,000 cubic meters) a year, the water allotted to Mexico under subparagraph (a) of this Article will be reduced in the same proportion as consumptive uses in the United States are reduced."

The United States has never invoked the "extraordinary drought" escape clause, even at a time when the Secretary of the Interior was imposing a 10 percent reduction in consumptive uses below Hoover Dam.

There were those who foresaw the havoc that this guarantee to Mexico would create. Ex-President Herbert Hoover, who had been the Federal representative chairing the negotiation of the Colorado River compact in 1922, wrote in 1944, in response to an inquiry from a member of the Senate Foreign Relations Committee to be found in Senate Document 32, 79th Congress, and House Document 717, 80th Congress at pages 159–160:

At the time the Compact was negotiated the possibility that a treaty might be made with Mexico some day was recognized, and that under it Mexico might become entitled to the use of some water. In that event, the compact divides the burden between the upper and lower basins, but it cannot be said that the compact "foreshadows" such a treaty as that now proposed.

I am sure none of the Commissioners who negotiated the compact had any idea that our Government would offer to guarantee Mexico any such amount as the 1,500,000 acre-feet stated in the proposed treaty. At that time Mexico was using about 500,000 to 600,000 acre-feet per year. Her lands were subject to a serious flood menace every year, and the silt in the river water was clogging her irrigation canals and ditches and thus threatened her whole development. It was a serious question as to how Mexico could prevent disaster to the lands she was then cultivating, much less increase that use.

Now, by means of American works, we have controlled the floodwater and silt, which is of tremendous value to Mexico. No one would want to deny these benefits to Mexico. But had it been suggested in 1922 that the United States was to be penalized in the future by having to furnish free to Mexico a volume of water, made available by works constructed in the United States to supply lands made possible of development only because of those works, I know it would have met with the opposition of the compact framers. Moreover, had the compact negotiators considered such a treaty possible as the present one, I am not sure that agreement on a compact could have been reached. Certainly, the compact that was concluded would have been different.

* * * * *

1. *As to the allocation of water.*—(a) Quantity.—The treaty guarantees at least 1,500,000 acre-feet per year to Mexico but contains no specific allocation or reservation of water to the United States. This guaranty takes precedence over older American users who are paying for the storage works which alone will make possible Mexico's increase of use above the quantity of approximately 750,000 acre-feet which she used before construction of the Boulder Canyon project. Each country ought to be allocated a pro rata of the flow of the river so that Mexico will share the hazards of the American water supply if she is to share the benefits of the American storage. The so-called "escape clause" entitling the United States to diminish deliveries only if her own consumptive use is curtailed by extraordinary drought is so uncertain in operation as to invite acrimonious dispute.

(b) *The impairment of existing American rights.*—The Boulder Canyon Project Act stipulated that the waters stored by that project should be used exclusively within the United States. Congress appropriated $165,000,000 on that representation to the taxpayer. Communities in the lower basin entered into contracts with the United States reciting that pledge, and in reliance upon it have incurred over $500,000,000 of debt to repay the Government's whole investment and to construct aqueducts, canals, transmission lines, etc., to use the water so stored and paid for. Figures used by the Reclamation Bureau show that in a decade like 1931–40, if 1,500,000 acre-feet were guaranteed to Mexico each year, some 15,000,000 acre-feet of Boulder Canyon storage would have to be drawn down for that purpose, exhausting substantially the whole active storage of the reservoir, after making deductions for flood control and dead storage. Our pledge ought to be kept. If it is to be broken, Mexico ought to be admitted no further than to a basis of parity with, not precedence over, the American users who assumed the obligation to pay for these works on the promise that the benefit would be theirs.

(c) *Quality.*—The treaty's evasion as to quality of water to be furnished to Mexico should be clarified one way or the other: Either by adding a reservation requiring Mexico to take all water regardless of quality, and even though it is unusable, which is what the State Department says this treaty means, but which must be a profound shock to Mexico; or, in the alternative, providing for the delivery of waters through the All-American Canal only, assuring Mexico substantially the same quality as that delivered to American projects through the same canal, and disclaiming specifically the quality of any water delivered to Mexico in the bed of the stream through works which she may herself build.

As to quality, this was the sort of representation received by the U.S. Senate from one of our negotiators, as recorded in Senate Document 249, 79th Congress at page 12:

Senator DOWNEY. Mr. Tipton, is there any statement in the treaty as to the quality of water that must be delivered by the United States to Mexico?

Mr. TIPTON. We are protected on the quality, sir.

Senator DOWNEY. *That is, you would mean by that statement that we could perform the terms of our treaty with Mexico by delivering to her water that would not be usable?*

Mr. TIPTON. *Yes, sir.*

Senator DOWNEY. *And you think that some court in the future would uphold that kind*

of interpretation, that we could satisfy in whole or in part our obligation to Mexico under this treaty of delivering 1,500,000 acre-feet of water, even though some or all of it were not usable for irrigation purposes?

Mr. TIPTON. *That is my interpretation of the treaty, sir. During the negotiations, that question was argued strenuously. Memoranda passed back and forth during negotiations indicate what the intent was. Language was placed in the treaty to cover that situation and to cover only that situation.* [Emphasis supplied.]

Not surprisingly, the Mexican negotiators gave the opposite report to their Senate:

That was covered in the treaty when it spoke of waters for irrigation. No one would be able to sign a treaty to give or receive waters of bad quality because both parties would suffer damage therefrom.

The dependence of Mexico on Hoover Dam storage, dedicated by the Project Act to the exclusive benefit of American water users, was conceded by one of the principal Mexican negotiators, reporting to his own Senate as reported in U.S. Senate Document 249, 79th Congress, at page 9:

This graph shows clearly that in the irregular form in which the flows would occur, *Mexico, instead of receiving benefits would repeatedly sustain damage; as a rule when the water was available, it would descend in veritable floods which would destroy everything; and on other occasions in the months of the greatest scarcity and the greatest necessity, the channel would be dry.*

Instead, the waters that Mexico will receive in accordance with the treaty will be received regulated by the American works, and at the appropriate time for their application to the lands. For this purpose there is established in the treaty, procedure by means of which the Mexican section of the International Boundary and Water Commission will present each year, in advance, to the American section of the same Commission monthly tables for delivery of the water which our lands are going to need for the following year; and, what is more, there is a stipulation that these tables can be varied 20 percent, plus or minus, 30 days in advance, in the event that the forecasts that shall have been made are not exact. * * *

In the same graph to which I referred it is shown clearly that *even supposing that not a single drop of water of the Colorado River were retained in American territory, the irregular form in which the discharge would arrive in our country would not permit any important area of land to be irrigated;* that is to say, supposing that there is accepted as correct the conclusion to which Lic. Manzanera del Campo arrives, *not only would we be unable to increase our irrigation system on the Colorado River in Lower California and Sonora up to 200,000 hectares in round figures, as we are going to do when the treaty enters into effect, but probably the area already irrigated would have to be reduced considerably.* * * *

At page 10 of the same document another Mexican negotiator reported:

We Mexican engineers, when we saw that these gigantic works were being executed, understood that there approached the critical moment for Mexico in which the lands of the Mexicali Valley ran the danger of returning to their condition of one of the most inhospitable deserts in the world through lack of water, since our country would have to depend on taking water, in the manner that it might best be able to do it, from the Colorado River by using occasional surpluses that might flow through said river.

* * * * *

That is, even when it is true that the total volume of the surpluses which flow through the Colorado River will still be very great in many years, its current is from now on so irregular that it can be stated that, while during some weeks the Mexican lands of the Mexicali Valley can be dying of thirst, in the following weeks they may be choked and submerged by the inundations provoked by discharges from the American dams.

* * * * *

It is necessary to note that as Mexico did not have any place to regulate the waters of the Colorado River in order to distribute them day by day, during each year, according to the needs of irrigation, *it was necessary to arrange by means of the treaty for the United States to deliver that water to us regulated to our wishes within certain limitations which do not impose on us any sacrifice for any plan of cultivation that is followed in Mexicali Valley. For this service of regulation of that water, our country does not have to pay a single cent.*

It is wholly unclear whether the "extraordinary drought" clause would enable the United States to protect its reserves in storage, or whether American reservoirs must be drawn down without limit to satisfy the treaty burden, so long as American consumptive uses are not reduced below some quantity, itself unstated, unless it is assumed that the compact apportionments are the implied criteria for this purpose. This was typical testimony before the Senate committee as reprinted in Senate Document 249, 79th Congress, at pages 16 and 17:

Mr. TIPTON. * * * Senator Millikin asked two questions. His first question was, as I understood it—and I hope the Senator will correct me if I am wrong—if there was no curtailment in the consumptive uses, but there was a depletion of reservoir capacity, whether or not we could invoke this provision. I said I did not think so.

His second question was this—that if, accompanying the commencement of depletion of water in main stream storage, there also was a curtailment of use—actual curtailment of consumptive use—by virtue of a lack of water in the upper basin above our main stream reservoirs, whether or not under that condition this provision could be invoked. I said that it could be so interpreted.

Senator LA FOLLETTE. But you were not certain?

Mr. TIPTON. I was not certain.

Senator LA FOLLETTE. One other thing that I got from this series of questions was the fact in the negotiation of this treaty, in which you participated, as I understand it, there was not very much discussion of this provision with the Mexican negotiators. *I came to the conclusion, therefore—and if I am wrong, I wish to be corrected—that this particular language in the treaty—this drought-clause language—was arrived at without a full meeting of the minds of the negotiators as to what its actual provisions involved.*

Mr. TIPTON. I think, Senator, that that resulted from this fact——

Senator LA FOLLETTE. *Is that true? Am I correct in that deduction?*

Mr. TIPTON. *You are substantially correct, sir.*

* * * * *

Senator LA FOLLETTE. Was there any difference of opinion among the American negotiators as to how it would be interpreted and how it would be invoked and how it would be operated if it was invoked?

Mr. TIPTON. I hesitate to say that there was a consensus of the negotiators that it would be invoked when curtailment in the upper basin was caused in order that the upper basin might make its delivery at Lees Ferry. That was discussed as one criterion. I would hesitate to say, Senator, that there was a consensus of the American negotiators on the basis, and I would not say there was not consensus. That condition would be a most unfavorable interpretation to the United States, and, in my opinion—my personal opinion—that would be a measure which could not be controverted.

Senator LA FOLLETTE. I understand that that would be one criterion, one way to measure it; but *I must say that it does strike me as rather strange that this provision got into the treaty without a full understanding on the part of the United States negotiators as to exactly what it meant, how it would operate, and when it would be invoked; and, secondly, that that understanding on the part of the United States negotiators was not conveyed to, fully understood by, and threshed out with those negotiating the treaty on the part of Mexico.*

Nevertheless, the Senate gave its advice and consent to the treaty; greater wartime interests of the United States compelled an agreement with Mexico. On water supply, the report of the Senate Committee on Foreign Relations, 79th Congress, first session, at pages 4 and 5 said:

According to all the testimony, the average annual virgin run-off from the Colorado River Basin is approximately 18,000,000 acre-feet a year.

The amount allocated to Mexico is thus only about 8 percent of the total supply, and the amount of firm water—that is, water which must be released from storage at Davis Dam—which will ultimately be required, in addition to return flows which will be in the river in any event, is only 3 percent or less, of the total annual supply. The balance remaining for use in the United States, or approximately 16,500,000 acre-feet on the average, will permit of a total development in the United States almost treble the present development.

* * * * *

Presumably then, the Mexican allocation of 1,500,000 acre-feet per year will be supplied from the amount of approximately 2,000,000 acre-feet which is estimated to be the surplus after the compact allocations, totaling 16,000,000 acre-feet, have been supplied.

By contrast, recent testimony to the House Interior and Insular Affairs Committee on H.R. 3300 now shows there is only a 50–50 probability that the long-range average will be as much as 15 million acre-feet, and one chance in four that it will equal 16 million. Ironically, the same distinguished witness, Royce J. Tipton, who supported an estimate of 18 million in 1944 in testifying in support of the Mexican Water Treaty—his honest appraisal at that time—testified before this committee 21 years later that the hydrologic record will no longer support an estimate in excess of 15 million.

THE WORSENING WATER SUPPLY

Since the date of the treaty's ratification, the Colorado River's water supply, and the quality of that supply, have worsened. Storage in American reservoirs has been depleted, at times, to the bare minimum of operating heads of the powerplants—in grim contrast with the assumption stated in the Senate committee 1944 report on the treaty, page 9:

The use of Boulder Dam is not contemplated under the treaty for the delivery of the Mexican allocation.

Lake Mead is only half full, and it has not yet been possible to fill Glen Canyon

Dam, while honoring the Mexican Water Treaty—as, of course, we have done. Mexico has complained of the quality of the water reaching her, with the consequence that extra quantities have been released from American storage to improve that quality, and expensive works have been built at American expense to bypass return flow from the Welton-Mohawk project in Arizona around the Mexican points of diversion. This, also, is in contrast with the remarkable assurance given the U.S. Senate by one of the American negotiators that the treaty could be satisfied by delivering to Mexico water of unusable quality as reported in Senate Document 249, 79th Congress, at page 12. Davis Dam, built at American expense as a treaty structure to reregulate the power discharges at Hoover, has had to be supplemented by the Senator Wash Dam, at American expense, to more nearly regulate the flows to Mexico. Sentinel Dam has been built at American expense to control floods from the Gila, which enters the Colorado just above Mexico.

The testimony before the House Interior and Insular Affairs Committee shows that the ultimate introduction of an additional 2 million acre-feet of new water of high quality into the river is essential if two objectives are to be accomplished: First, to supply the minimum of 7.5 million acre-feet annually of main stream water which the Congress apportioned among the three lower division States; second, to avoid deterioration of the quality of the water at the boundary, already containing several times the salt content countenanced by U.S. Public Health Service standards, to a level wholly unacceptable for use in either the United States or Mexico.

Water must be added to the river to offset the treaty burden. The cost of performing the treaty is, and ought to be, a Federal responsibility. There is no more justification for saddling American water users with the cost of replacing the water taken from them to export to Mexico in performance of a treaty than there would be in taking grain from the Midwest farmers without compensation in order to export it to satisfy a treaty commitment in Asia. The exclusively Federal obligation to perform the Mexican Water Treaty at Federal expense is inseparable from the exclusively Federal power to make the treaty in the first place, overriding the promises made to American water users in the Boulder Canyon Project Act that the flood waters stored by Hoover Dam would be used exclusively in the United States.

THE 4.4 SHORTAGE FORMULA

Now I turn to the second vital provision of H.R. 3300 on which I wish to elaborate; namely, the 4.4 shortage formula.

THE SHORTAGE FORMULA

Section 301 (b) and (c) of H.R. 3300 contains a shortage formula, agreed upon between Arizona and California, which settles the issues between those two States which the Supreme Court refused to decide, and which it sent the States back to Congress to settle. Thus we come full circle: In 1928 Congress, in the Boulder Canyon Project Act, wrote one-half of the shortage formula which we are about to complete.

THE FIRST HALF OF THE SHORTAGE FORMULA

In 1928, Congress had before it the Swing-Johnson bill, to authorize construction of Hoover Dam and the All-American Canal, but only on condition that all seven States of the Colorado River Basin should ratify the Colorado River compact. Arizona alone refused to ratify. So, to break this stalemate, Congress, in section 4(a) of that act, provided that the dam and canal should be built if six States ratified the compact, but, in that event, only on the added condition that California's legislature agree to limit California's uses of Colorado River water in accordance with a formula. California was then preparing to build the Colorado River aqueduct, and this, together with appropriations of water for existing projects, would bring California's use up to about five and a half million acre-feet. The U.S. Supreme Court, in the case of Wyoming against Colorado, had just decided that the law of appropriation—"first in time, first in right"—applied in interstate water controversies. The limitation on California's appropriations which Congress required was this: California's uses of the 7.5 million acre-feet apportioned to the lower basin by article III(a) of the Colorado River compact should be limited to 4.4 million acre-feet; but, in addition, California might use one-half of any excess or surplus waters available above that 7.5 million. In other words, of the 5.5 million that California was about to put to use, a firm right could be established to 4.4 million, whereas, if more than 4.4 million was used, any shortages in the water needed to supply that excess would have to be prorated. California would receive one-half of the excess, whatever it might be.

The relevant portion of section 4(a) of the Project Act reads as follows:

SEC. 4. (a) This Act shall not take effect . . . 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 13 hereof, and the President by public proclamation shall have so declared, or (2) if said States fail to ratify the said compact within six months 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 the President by public proclamation shall have so declared, and, further, until the State of California, by act of its legislature, shall agree irrevocably and unconditionally 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 consumptive use (diversions less returns to the river) of water of and from the Colorado River for use in the State of California, including all uses 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 four hundred thousand acre-feet of the waters apportioned to the lower basin States by paragraph (a) of Article III of the Colorado River compact, plus not more than one-half of any excess or surplus waters unapportioned by said compact, such uses always to be subject to the terms of said compact.

CALIFORNIA'S INVESTMENT OF $600 MILLION IN RELIANCE ON HER AGREEMENT WITH CONGRESS

Congress passed the Project Act; California enacted the Limitation Act just described; by 1941, the three great California projects—the All-American Canal, the Metropolitan Water District's Colorado River aqueduct and the Palo Verde project, were in operation. Altogether, California's taxpayers have spent, or mortgaged their homes, businesses and farms, to pay about $600,000,000, in reliance upon what Arizona has sometimes called the "statutory compact" between California and the United States evidenced by the Boulder Canyon Project Act and the reciprocal California Limitation Act.

THE EFFECT OF THE FIRST HALF OF THE SHORTAGE FORMULA ON CALIFORNIA

Let us pause here to note, with emphasis, the present effect on California of this limitation, this first half of the shortage formula. It imposes the first shock of any shortage on California, drying up existing uses in California. This is because California has actually built projects to put to use 5.4 million acre-feet. California has, in fact, used 5.1 million. Accordingly, 700,000 acre-feet of present uses of water by California people must be abandoned, a million acre-feet of constructed capacity must be rendered idle, by California's performance of her promise, given in the Limitation Act, to reduce her uses to 4.4 million acre-feet if the total supply shrinks to 7.5 million. This leaves 3.1 million for a vast expansion of uses in Arizona and Nevada. Arizona expects to expand her existing uses to 250 percent of her present uses—from 1.2 million to 2.8 million. Nevada can expand her present uses nearly 10 times. But California's lost 700,000 acre-feet, now used by her people, farms, and industries, must be replaced from other sources. People must have water. It is being replaced, at an added expense of some $30 million per year, by importations from northern California. Such is the effect of the Limitation Act, the first half of the shortage formula. California will keep her word, perform her bargain, and bear that loss. But California, her people, and her representatives in Congress, ask that Congress keep the other half of the bargain, and to this Arizona has agreed.

THE SECOND HALF OF THE SHORTAGE FORMULA

Section 301 (b) and (c) write the second half of the shortage formula, on which Arizona and California have agreed. It is written in the phraseology of the decree in *Arizona* v. *California* (376 U.S. 340, 41, 42–43 (1964)). In simplest terms, it means that after California has borne the first shock of the shortage, reducing her actual existing uses to 4.4 million acre-feet, incurring a certain and known loss of 700,000 acre-feet of existing uses, the central Arizona project shall run the risk—if any there may be—of any further shortage, which reduces the whole supply below 7.5 million. But, it goes on to provide, Arizona will be protected from this consequence if, and so long as, the water supply of the main stream is augmented by the introduction of enough additional water to restore the supply to 7.5 million acre-feet.

The text of section 301 (b) and (c) reads:

(b) Article II(B)(3) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient mainstream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301 (b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

As explained in the report of the House Committee on Interior and Insular Affairs, the two halves of the formula—the 1928 half, burdening California, the 1968 half, burdening Arizona—work together like this:

Subsections (b) and (c) establish a shortage formula which assures California 4.4 million acre-feet ahead of the Central Arizona Project in any year in which the water supply of the Colorado River is not adequate to provide 7.5 m.a.f. of mainstream consumptive use in the Lower Basin and to satisfy the Mexican Treaty obligation. This formula applies to all uses in Arizona, California, and Nevada under present perfected rights (which means rights existing as of June 25, 1929, the effective date of the Boulder Canyon Project Act), under existing contracts with the United States, and existing Federal Reservation rights.

In any year in which there is insufficient main stream Colorado River water available to satisfy annual consumptive use of 7,500,000 acre-feet in Arizona, California, and Nevada, diversions for the Central Arizona Project shall be so limited as to assure the availability of water to meet present perfected rights and other uses in Arizona, California, and Nevada, including existing Federal reservations, with a limitation of 4,400,000 acre-feet on California uses. Water users in the State of Nevada will not have to bear shortages in any proportion greater than would have been imposed in the absence of this section. The relative priorities, among themselves, of the water users in the three States whose rights are senior to diversions for the Central Arizona unit will not be affected by the provisions of this section.

The effect of the limitation on California imposed by section 4(a) of the Boulder Canyon Project Act is to require California to bear the first impact of any shortage which reduces the water supply from the main stream of the Colorado River for the three States to 7.5 million acre-feet. There are existing projects in California designed and built to use 5.4 million acre-feet in anticipation of the availability of 1 million acre-feet of surplus water, and the projects have actually used 5.1 million acre-feet. Thus, California, would have to give up 700,000 acre-feet of existing uses when the main stream supply shrinks to 7.5 million acre-feet, and Arizona and Nevada require their full decreed rights. The effect of this section of the legislation is that if the supply of main stream water drops below 7.5 million acre-feet, the next impact of shortage will have to be borne by the Central Arizona Project. Under this condition diversions for the Central Arizona Project would have to be reduced to the extent necessary to assure the availability of water for use in Arizona, California, and Nevada by holders of present perfected rights and for meeting commitments to other users served under existing contracts with the United States, with the protection to California limited, however, to 4.4 million acre-feet.

The provisions in subsection (b) have the effect of implementing Article II B(3) of the decree of the Supreme Court in *Arizona* v. *California* which deals with shortages in the 7.5 million acre-feet apportioned by the Supreme Court. Article II B(3) directs the Secretary to first satisfy perfected rights and to allocate the remaining available water in accordance with applicable law. This section writes the applicable law which the Secretary would have to follow.

Under the provisions of subsection (c) the limitation on the Central Arizona Project diversions stated in subsection (b) will be inapplicable in any year that the Secretary determines and proclaims that means are available and in operation to augment the water supply of the Colorado River System so as to provide annual consumptive use of 7.5 million acre-feet of mainstream water to Arizona, California, and Nevada users.

A priority for present California uses, up to 4.4 million acre-feet per year, over new uses for the Central Arizona Project, has been one of the major stumbling blocks in this and prior bills. If the flow of the River is eventually augmented, as a result of the studies authorized in Title II, the problem will become academic. If the augmentation does not occur, however, the decreased amount of water estimated to be in the River for use in the Lower Basin will curtail the water supply for the Central Arizona Project.

"AUGMENTATION"

Note particularly, in connection with section 301(c), how section 606(f) defines "augment":

"Augment" or "augmentation", when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River System which is in addition to the natural supply of the system.

This definition excludes from the meaning of "augment," as used in section 301(c), the concept of exchanges of water on the California coastal plain or elsewhere which do not result in "the introduction of water into the Colorado River system." The reason is plain enough. Additional water must be introduced into the Colorado River to meet the requirements of the Mexican Water Treaty, as well as shortages in the main stream supply otherwise occasioned. In addition to quantitative shortages, the Commissioner of Reclamation has made plain in his testimony that the introduction into the river of 2 to 2.5 million acre-feet annually of the equivalent of "distilled water" is necessary to prevent degradation of the present quality of water, bad as it is, 1,000 parts of salt per million, to 1,400 parts whenever upper basin depletions reduce the river's flow to the compact minimum. This is nearly three times the salt content which Public Health Service standards tolerate, and is the equivalent of 2 tons of salt per acre-foot. Moreover, if the water diverted in the United States contains 1,400 parts of salt per million, the return flow to Mexico will contain a much higher concentration. The committee was, therefore, quite conscious of what it was doing when it restricted the meaning of "augmentation" to the "introduction of water into the Colorado River system which is in addition to the natural supply of the system."

This is intentionally consistent with the direction to the Secretary in section 201(a)(2) that he "investigate and recommend sources and means of supplying water requirements of the Colorado River Basin, either directly or by exchange, including reductions in losses, importations from sources outside the natural drainage basin of the Colorado River system, desalination, weather modification, and other means."

Indeed, benefits to the upper basin from introduction of water into the main stream below Lee Ferry can only come about by exchange of portions of such water, introduced in addition to that contemplated by section 301(c), for reductions in deliveries otherwise required from the upper division States at Lee Ferry. But this has nothing to do with section 301(c), and is a matter to be considered in future interstate agreements or acts of Congress.

DIFFERENCES BETWEEN H.R. 3300 AND PRIOR BILLS

Section 301(c) differs from provisions in earlier bills; for example, H.R. 4671, 89th Congress, which would terminate the priority protection whenever works are constructed to deliver 2.5 million acre-feet annually of imported water into the main stream. The difference is important in two respects: First, H.R. 3300 contemplates that, inasmuch as the lower basin shortage may be expected to materialize gradually as uses in the upper basin develop, successive introduction of a series of relatively small increments of additional water into the river may restore the lower basin supply, for a time, to 7.5 million acre-feet, so that the necessity for reductions in central Arizona project diversions may be successively postponed; second, under H.R. 3300 the protection of California's priority—and that of existing uses in Arizona and Nevada—does not cease upon the happening of a particular event. The change relieves Arizona from the fear that a major importation program will be inordinately delayed, thus requiring indefinite curtailment in Arizona's diversions, while reassuring California that the protection of her existing investments will not be erased, once for all time, by construction of augmentation works which subsequently prove to be inadequate to permanently restore the full 7.5 million acre-feet of supply. Both States regard this as a fair compromise.

THE SUPREME COURT DECISION IN ARIZONA AGAINST CALIFORNIA

In justice to our Arizona friends who participated in the negotiation of this compromise, and who are unjustly attacked for having given up something that their opponents say, quite incorrectly, that the Supreme Court gave Arizona, let us set the record straight.

In 1953 Arizona brought her fourth suit against California in the U.S. Supreme Court. This time the United States intervened, so that the Court for the first time had jurisdiction to proceed to a decree, and did so. The Court referred the case to a special master for trial. In this trial, Arizona made the claim that Congress and the California legislature had intended not only that California's uses which were in excess of 4.4 million acre-feet must be prorated with Arizona's—which California freely admitted, because section 4(a) says "one-half of any excess or surplus"—but also that, in the event that the supply should be less than 7.5 million acre-feet, California's use of the basic 4.4 million acre-feet, which California water users had appropriated and put to use at a cost of $600,000,000, was also subject to proration with Arizona's later uses. California, of course, resisted this contention, pointing to the language of section 4(a), which related this 4.4 million to "present perfected rights" and "rights which may now exist," in addition to "uses under contracts made under the provisions of this act."

The special master filed a report with the Supreme Court in 1961. He proposed to divide the first 7.5 million acre-feet of the waters of the main stream 4.4 million to California, 2.8 million to Arizona, 300,000 to Nevada. He would divide the "surplus" above 7.5 million one-half to California, one-half to Arizona—with the possibility of reducing Arizona's share of this surplus to 46 percent, giving Nevada 4 percent. The significance of this was not in the apportionments to the three States—these quantities had long since been agreed to, and were not in controversy—but in the exclusion of the Gila and other tributaries from contributions to the "fund" of water thus divided. The primary effect was to eliminate all possibility of "surplus"; that is, the category on which California was required by her limitation act to depend for water in excess of 4.4 million. But, as evidence before the House Committee on Interior and Insular Affairs has conclusively demonstrated, the future dependable water supply of the Colorado River Basin will be so low that there would be little or no "surplus" above 7.5 million acre-feet, even if the flow of the lower basin tributaries were added to the main stream flow. Consequently, while the apportionment which the special master recommended was widely hailed as a victory for Arizona, his apportionment actually was not of practical significance.

What was of tremendous significance in the master's report was his proposed shortage formula, to govern if less than 7.5 million acre-feet were available in the main stream. Although, as we shall see in a moment, the Supreme Court unanimously reversed him on this shortage issue—while sustaining his apportionment—the master's formula requires our attention because of the persistently erroneous assertion that his rejected proposal is indeed the law of the land, and that H.R. 3300 reverses it.

The master proposed that if less than 7.5 million acre-feet is available in the main stream, the supply be prorated forty-four seventy-fifths to California, twenty-eight seventy-fifths to Arizona, three seventy-fifths to Nevada—the numerators, of course, being related to the apportionments, the denominator to the total apportioned.

The Supreme Court unanimously rejected and set aside the special master's shortage formula. It did not get a single vote. Instead, three Justices voted to substitute the law of priorities, interstate. Five Justices held that there was no shortage formula before the Court, and declined to fashion one. They said that the Secretary had authority to devise a shortage formula, and, if he did, it could be reviewed by the Court. But, more significantly, the Court said that Congress had final authority, and could write its own shortage formula.

To drive the point home, the Court went still further in its decree. It restricted the apportioning authority of the Secretary and the Congress, in the event of shortage, to that portion of the water supply which is in excess of the requirements of "present perfected rights." These it defined as water put to use before the effective date of the Project Act, June 25, 1929, plus the rights of Federal reservations. And, as to this excess—which will be relatively small, in the light of the testimony on H.R. 3300—the Court directed that the apportionment be not only in accordance with the Boulder Canyon Project Act, but also in accordance "with other applicable Federal statutes."

As the House committee report says, quite accurately, H.R. 3300 now writes the "applicable Federal statute" which controls the Secretary's allocation of shortages.

Reproduced below are the January 24, 1968, resolution of the Colorado River Board of California, reaffirming its position taken November 1, 1967, stating California's objectives, embodied in H.R. 3300, 90th Congress, as reported out of the House Committee on Interior and Insular Affairs, and the opinion of Attorney General Thomas C. Lynch, of California, on the application of the provisions of the Supreme Court's decree in Arizona against California which relate to water shortages, together with relevant portions of the special master's shortage formula, which the Supreme Court rejected, the Court's opinion, and its decree:

RESOLUTION OF THE COLORADO RIVER BOARD OF CALIFORNIA, JANUARY 24, 1968

The Colorado River Board of California unanimously approves the following statement with respect to Colorado River legislation. This reaffirms its position taken on November 1, 1967.

COLORADO RIVER LEGISLATION, 90TH CONGRESS

We regard H.R. 3300, 90th Congress, which is a reinstatement of the seven-state agreement embodied in H.R. 4671 in the 89th Congress, as eminently fair, and regret Arizona's withdrawal from her agreement.

Arizona's present bill, S. 1004, repudiating that agreement, is totally unacceptable.

In our view, California can continue to support construction of a Central Arizona project if, but only if, the pending proposals for modification of H.R. 3300 preserve three features essential to California, stated below:

1. *Protection of existing uses.* We must insist upon the principle stated in H.R. 3300 for the allocation of water shortages, irrespective of how it may be expressed. This is the universal principle of western water law, that existing uses shall not be impaired to make water available for new ones. The Boulder Canyon Project Act in 1929 limited this protection for California to 4.4 million acre-feet annually. The result is that California's presently existing projects, which were constructed to use 5.4 million acre-feet at a cost exceeding $600,000,000 and are now furnishing 5.1 million acre-feet of water annually to more than half of California's population, must bear the full impact of shortages which reduce the Lower Basin's total mainstream supply to 7.5 million. California is then reduced to 4.4 million, while leaving 2.8 million for Arizona, 300,000 for Nevada, to make possible large expansion of uses in those states. California's legislature agreed to this in 1929 because Congress required it of us if construction of Hoover Dam were to proceed notwithstanding Arizona's rejection of the Colorado River Compact. We will live up to that burdensome limitation, but we did not agree then, and will not agree now, to any deeper cut, below 4.4 million. If the supply is less than 7.5 million, the next loss must be borne by Arizona, and diversions for the Central Arizona project must be reduced, as H.R. 3300 requires, in the amount necessary to supply the requirements of existing projects in Arizona and Nevada, and 4.4 million acre-feet of the requirements of existing projects in California.

2. *Augmentation.* Inasmuch as the assurance of 7.5 million acre-feet of mainstream consumptive uses will require the introduction of about 2.5 million acre-feet of new water annually into the river below Lee Ferry, the bill should authorize investigations of means to accomplish at least this minimum objective. The protection of existing uses must continue until that objective is accomplished. To facilitate passage of the bill, we would reduce the target figure for planning the first stage of augmentation to a flat 2.5 million acre-feet (it is now stated in H.R. 3300 as a "range" of 2.5 to 8.5 million). By "augmentation" we mean the introduction of new supplies into the river for use below Lee Ferry, not salvage or exchange or other devices. We must insist on adequate priority protection for areas and states of origin in the event that any of that water is taken from California rivers.

3. *Financing.* To facilitate passage of the bill, we would reluctantly agree to delete authorization of Hualapai dam, deferring that issue to later consideration. But if Hualapai is eliminated, we must insist that the remaining sources of revenues for the "development fund", primarily Hoover, Davis and Parker Dam power revenues be earmarked to finance augmentation works, and not be made available to subsidize the Central Arizona project. This accords with the Boulder Canyon Project Act, which specifically prohibits use of any Hoover power revenues to assist the All-American Canal, and denies use of such revenues to aid Metropolitan's aqueduct. The cost of augmentation works attributable to the Mexican Treaty burden and associated losses (about 1.8 million acre-feet altogether) must be nonreimbursable, carrying out the agreement which Senator Kuchel obtained from the Budget Bureau on this point.

California should oppose any bill authorizing the Central Arizona project which does not safeguard these three principles.

So much for the Arizona-California settlement.

As to Upper Basin matters. We will stay with our agreement with the Upper Basin States to support the features of H.R. 3300 favorable to them, including: (1) five new Upper Basin projects, (2) a formula to balance storage in Lake Mead and Lake Powell, (3) repayment of deficits in the Upper Basin fund, (4) relief from the Treaty burden when sufficient water is imported to offset the whole Treaty burden, etc., *if* those States will stand by their agreement to support California on the three matters essential to our State. The Upper Basin has now asked, in addition, that relief from the Treaty burden be conditioned, not on importation of 2.5 million acre-feet annually as agreed in H.R. 3300, but on augmentation in the lesser quantity required to offset only the Treaty burden (about 1.8 million). We will agree to this, if the States asking this new improvement in the Upper Basin position stand by their agreement, stated in H.R. 3300, that protection of California's 4.4 million shall not cease until 2.5 million is imported.

STATE OF CALIFORNIA,
DEPARTMENT OF JUSTICE,
Los Angeles, February 21, 1968.

Re Colorado River legislation.

Mr. RAYMOND R. RUMMONDS,
Chairman, Colorado River Board of California, Los Angeles, Calif.

DEAR MR. RUMMONDS: This is in response to your letter of January 12, 1968, asking the views of this office on the shortage formulas that might lawfully be adopted by the Secretary of the Interior (hereinafter "Secretary") under the decree in *Arizona* v. *California*. More particularly, your inquiry relates to the range of legally permissible formulas available to the Secretary under article II(B)(3) of the decree. That article applies in a year in which there is less than 7.5 million acre-feet of consumptive use of main Colorado River water available for distribution among Arizona, California, and Nevada.

Any answer to your inquiry must, of course, be general; but some broad principles may be laid down. To do so, however, requires an understanding of the Special Master's recommended decree, the opinion in *Arizona* v. *California*, 373 U.S. 546 (1963), and the decree in *Arizona* v. *California*, 376 U.S. 340 (1964), amended, 383 U.S. 268 (1966).

SPECIAL MASTER'S RECOMMENDED DECREE

The relevant provisions of the Special Master's recommended decree are articles I(G) and (H) and II(B)(1), (2), (3), (5), and (6), the texts of which are set forth as appendix A hereto. These articles would have provided substantially as follows:

Article I(G) and (H) would have defined present perfected rights, in essence, as water rights valid under state law existing as of June 25, 1929, to the extent that such rights had been exercised by the actual diversion and use of water by that date.[1] In addition, present perfected rights would have included water rights created by federal reservations (primarily Indian reservations) prior to that date, regardless of whether any water was put to beneficial use.

Article II(B) would have dealt with the allocation of main Colorado River water among Arizona, California, and Nevada as follows:

Article II(B)(1) would have provided that if the Secretary determined that main stream water was available to satisfy 7.5 million acre-feet of consumptive use, it would be allocated 2.8 million to Arizona, 4.4 million to California, and .3 million to Nevada.

Article II(B)(2) would have provided that if main stream water were available in excess of the 7.5 million, that excess should be divided 50% to Arizona (subject to a reduction of 4% in favor of Nevada) and 50% to California.

Article II(B)(3) would have provided:

"If insufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy annual consumptive use of 7,500,000 acre-feet in the aforesaid three states, then the available annual consumptive use shall be apportioned as follows:

(a) For use in Arizona ..... $\frac{2.8}{7.5}$,

(b) For use in California ..... $\frac{4.4}{7.5}$,

(c) For use in Nevada ..... $\frac{.3}{7.5}$;"

As is evident from this formulation, the Special Master, in establishing the pro rata share of each state, treated all water rights of each state on a par, including present perfected rights.[2] He did this notwithstanding the fact that in two subsequent provisions he provided for the priority of present perfected rights over all other rights to the use of main Colorado River water.

Article II(B)(5) as proposed by the Master would have provided, in essence, that present perfected rights in each state could not be reduced until all uses under nonperfected rights were first exhausted in all states. Article II(B)(6) would have provided that if there were insufficient water to supply all present perfected rights, then such water should be allocated in accordance with the priority of present perfected rights without regard to state lines (California being limited to 4.4 million acre-feet per annum).

OPINION IN ARIZONA V. CALIFORNIA

In its opinion in *Arizona* v. *California*, 373 U.S. 546 (1963), the Supreme Court unanimously rejected the proration formula set forth in article II(B)(3) of the Special Master's recommended decree. The three dissenting Justices would have required the Secretary to meet such shortages by application of the doctrine of equitable apportionment, including priority of appropriation and protection of existing projects, as urged by California. (373 U.S. at 603–30.) The five-judge majority ruled only that no shortage formula had been stated by Congress or devised by the Secretary. Hence, they concluded that there was no action of the Secretary to be reviewed in this regard at that time. (373 U.S. at 592–94.) The complete text of the opinion on this issue is set forth as appendix B thereto.

With reference to a decree, the Court concluded (373 U.S. at 602):

"While we have in the main agreed with the Master, there are some places we have disagreed and some questions on which we have not ruled. Rather than adopt the Master's decree with amendments or append our own decree to this opinion, we will allow the parties, or any of them, if they wish, to submit before September 1963, the form of decree to carry this opinion into effect, failing which the Court will prepare and enter an appropriate decree at the next Term of Court."

DECREE IN ARIZONA V. CALIFORNIA

In compliance with this suggestion by the Court, the parties submitted to the Court an agreed form of decree as to most of its provisions. Each party also submitted its separate views upon the several provisions that were not agreed upon, and these were resolved by the Court.

The decree entered by the Court in 1964 (376 U.S. 340) adopts in article I (G) and (H) the Special Master's definition of "present perfected rights." It also adopts in article II(B) (1) and (2) those identical provisions of the Special Master's decree that allocate the 7.5 million acre-feet of main stream water and any excess over that 7.5 million. However, the provisions of article II(B)(3) of the Court's decree, which replace article II(B) (3), (5), and (6) of the Special Master's recommended decree, differ markedly from the Special Master's recommendation. The full text of article II(B) (1), (2), and (3) of the Court's decree are set forth as appendix C hereto.

Article II(B)(3), which was submitted to the Court by agreement of all parties, provides in substance as follows: If there is not sufficient main stream water available to satisfy 7.5 million acre-feet of consumptive use among Arizona, California, and Nevada, then the Secretary, "after providing for satisfaction of present perfected rights in the order of their priority dates" and after consultation with the parties to major delivery contracts and the states' representatives, "may apportion the amount remaining available for consumptive use" in such manner as is consistent with the Boulder Canyon Project Act as interpreted by the opinion "and with other applicable federal statutes"; however, California's share shall not exceed 4.4 million acre-feet, including all present perfected rights.

ANALYSIS OF ARTICLE II(B)(3) OF DECREE

Article II(B)(3) requires the Secretary, in the event of shortage of main stream water to supply 7.5 million acre-feet of consumptive use among the three states, to do two things in this precise order:

First, the Secretary must satisfy "present perfected rights" in the order of their priority dates, without regard to state lines. In general, it may be said that the Secretary is thereby providing water first for those uses that had been made prior to authorization or construction of Hoover Dam, hence without the storage and regulation provided by that dam.[3]

Second, the Secretary may then apportion "the amount remaining" after satisfaction of present perfected rights in a manner consistent with the Project Act, the opinion, and any other applicable federal statutes. In general, it may be said that the Secretary is thereby permitted to allocate the incremental supply above that which was usable from the unregulated flow, *i.e.*, the remaining waters are those made available by the construction of Hoover Dam, which provides storage and regulation of flood flows that previously were unusable and wasted to the ocean.

The real issue is therefore a very limited one: How may the Secretary apportion among Arizona, California, and Nevada "the amount remaining" after satisfaction of present perfected rights? This is another way of asking how the Secretary may apportion

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[1] *See* Sp. Mas. Rep. 308: "Hence I conclude that a water right is a 'present perfected right' and is within the protection of Section 6 [of the Boulder Canyon Project Act] only if it was, as of the effective date of the [Boulder Canyon] Project Act (June 25, 1929), acquired in compliance with the formalities of state law and only to the extent that it represented, at that time, an actual diversion and beneficial use of a specific quantity of water applied to a defined area of land or to a particular domestic or industrial use."

[2] *I.e.*, the Master treated present perfected rights as a minimum, but gave them the same value in his proration equation as all other rights. (Sp. Mas. Rep. 306, 311–12). As pointed out later, this concept did not survive in the Supreme Court.

[3] As we have noted earlier, water reserved for federal establishments, *e.g.*, Indian reservations, prior to the effective date of the Project Act, June 25, 1929, is given the status of a present perfected right irrespective of the quantity put to use before that date. It is clear from the legislative history of the Project Act that the unregulated flow had been fully appropriated, quite aside from the additional (unused) Indian rights which the decree characterizes as present perfected rights.

among these States the benefit of the conservation accomplished by Hoover Dam, since, by hypothesis, the unregulated flow put to use before construction of Hoover Dam is all accounted for by "present perfected rights," which the decree withholds from the Secretary's power of allocation.

Suppose, for example, that present perfected rights are 3.4 million acre-feet in California and .8 million acre-feet in Arizona.[4] (For the purpose of this example, Nevada's present perfected rights, which are claimed in a quantity less than 7,000 acre-feet, are taken as *de minimis*.) Out of the 7.5 million, a total of 4.2 is claimed as present perfected rights and 3.3 million thus represents "the amount remaining."

Similarly, out of California's 4.4 million, 3.4 million is claimed as present perfected rights, and only 1.0 million is dependent upon "the amount remaining." Out of Arizona's 2.8 million, only .8 million is claimed as present perfected rights, and 2.0 million is dependent on "the amount remaining." Substantially all of Nevada's .3 million is dependent on "the amount remaining."

In allocating "the amount remaining" among the three states in the event that there is not 7.5 million acre-feet of consumptive use available from the main stream (and hence less than 3.3 million acre-feet of "the amount remaining"), the Secretary may take one or a combination of two basic approaches: (1) a formula based on respect for the relative ranking of the competing claims, or (2) a formula based on quantitative proration, irrespective of other considerations.

In more detail, as to these two allocation concepts:

1. First of all, the Court's opinion tells us that the Secretary may "lay stress upon priority of use" (373 U.S. at 594). The "judicial doctrine of equitable apportionment" and "the law of prior appropriation" can provide "some guidance" (*ibid.*). For these are "recognized methods of apportionment" (373 U.S. at 593). Under this approach, the Secretary might, for example, provide that "the amount remaining" be allocated in order of priority dates without regard to state lines, by analogy to the allocation of "present perfected rights" in that manner. Or, conceivably, he might rank the competing claims by priorities related to classification of uses rather than dates of initiation of rights (as he has done in contracts recently executed under the Southern Nevada Project Act), which, with respect to intrastate allocations within Nevada, give preference to municipal and industrial uses against agricultural uses, if less than 300,000 acre-feet is available for consumptive use in Nevada.[5] Or, it is conceivable that other criteria, related primarily to equities or qualitative considerations (as distinguished from quantitative proration) may be articulated.[6]

2. Secondly, the Secretary may also "adopt *a* method of proration" (373 U.S. at 594; emphasis added). "[T]he Secretary may or may not conclude that a pro rata division is the best solution" (373 U.S. at 593). But if he does, he may "choose among the recognized methods of apportionment" or "devise *reasonable* methods of his own" (*ibid.*; emphasis added). It is further suggested that one appeal of pro rata sharing of shortages is that it "seems equitable on its face" (*ibid.*).

We are concerned here with the range of choice open to the Secretary *if he resorts to quantitative proration, wholly ignoring interstate priorities or character of use*. The inquiry is sharpened by the fact that, as we shall see in a moment, this is exactly what the Special Master proposed and the Supreme Court rejected.

If the Secretary resorts to proration of "the amount remaining" above the requirements of present perfected rights, what common denominator, and what three numerators, can he lawfully use in defining the fraction allocated to each of the three States?

Manifestly, the sum of the numerators must equal the common denominator. The Special Master's shortage formula used a common denominator of 7.5, as representing the whole universe (7.5 million acre-feet), at the first onset of shortage, and numerators of 2.8 for Arizona (representing 2,800,000), 4.4 for California (representing 4,400,000), and .3 for Nevada (representing 300,000)—the States' respective shares if 7.5 million were available. In the event of shortage, California, for example, was to receive 4.4/7.5 of the supply, hence bear 4.4/7.5 of the shortage, although most of California's share constitutes present perfected rights.

But the whole universe which the Supreme Court's decree permits the Secretary to divide is not 7.5 million, but a much smaller figure, identified as the "amount remaining available" above present perfected rights. We have shown that if the present claims of present perfected rights of the States were sustained, the maximum "amount remaining available" could not exceed 3.3 million. That is to say, of the 7.5 million acre-feet of consumptive use apportioned by article II(B)(1) of the decree, the uses of 3.3 million are dependent for their satisfaction upon the magnitude of "amount remaining" above present perfected rights. If the "amount remaining" were large enough to satisfy all of this 3.3 million acre-feet of demand, Arizona's share of that 3.3 million (as we have seen, *supra*) would be 2.0/3.3 (since 2 million of Arizona's total apportionment is dependent on the "amount remaining," only .8 million being present perfected rights); California's share would be 1.0/3.3 (since 1 million of California's total apportionment of 4.4 million is dependent on the "amount remaining," 3.4 million being present perfected rights); and Nevada's share would be .3/3.3 (since substantially all of Nevada's total apportionment of .3 million is dependent on the "amount remaining"). The common denominator applicable under the decree, comparable to the Special Master's common denominator, would thus be 3.3, not the Master's 7.5, and the comparable ratios would be: California, 1.0/3.3, not 4.4/7.5; Arizona, 2.0/3.3, not 2.8/7.5, and Nevada, .3/3.3, not .3/7.5. These ratios, in each case, would be applied to whatever quantity may be the "amount remaining available" above the requirements of present perfected rights (which are assumed to aggregate 4.2 million acre-feet). Each State's total entitlement would be the quantity so determined added to, and not inclusive of, present perfected rights (contra the Special Master's formula).

It would see to require little argument, therefore, to demonstrate that whatever proration formula the Secretary might use (assuming that he resorted to proration), the employment of the Special Master's shortage formula would be precluded by the Supreme Court's decree. The numerators, the denominator, and the universe to which the resulting ratios are applicable, are all required by the Supreme Court to be wholly different from those which the Special Master supposed.

This comparison may also be viewed in terms of percentages: Although California's share of the "amount remaining available" is only about 30% (1.0/3.3), the Special Master's formula would have required California to bear approximately 57% (4.4/7.5) of the shortage. On the other hand, although Arizona's share of the "amount remaining available" is about 60% (2.0/3.3), the Special Master's formula would have required her to bear only about 37% (2.8/7.5) of the shortage.

The contrast between the Master's proposal and the Court's decree is conclusively illustrated by the following example: Assume a water supply of 5.5 million acre-feet. Under the initial application of the Special Master's formula, California would be given 4.4/7.5 or about 3.2 million acre-feet; however, since California's share could not be less than her present perfected rights, California would receive 3.4 million acre-feet.[7] By contrast, if the approach under article II(B)(3) of the decree is applied to these same assumptions, California must first be awarded her present perfected rights of 3.4 million acre-feet. It follows that the Master's conclusion that California should receive no more than 3.4 million acre-feet out of a total supply of 5.5 million could not be reached under the decree unless the Court were prepared to sustain a Secretarial apportionment that would include, in effect, a provision that when the supply is 5.5 million acre-feet, the 1.3 million acre-feet "amount remaining available"[8] shall be apportioned as follows: to California, zero; to Arizona and Nevada, all. We think that the Court would reject this attempt to deny to California any of the benefits of Hoover Dam's conservation of water and to limit California to the quantity of the unregulated flow that she had put to use before that dam was authorized or built.

SUMMARY AND CONCLUSION

1. The quantity of water which is within the power of the Secretary of allocate, in the event of shortages, is not the whole supply, but the much smaller quantity representing the "amount remaining available" after satisfaction of present perfected rights. Present perfected rights constitute decreed quantities, which the Secretary may not reduce, but which must be satisfied in order of priority

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[4] These are the quantities of present perfected rights claimed by California and Arizona respectively. Article VI of the decree provides that if the States are unable to agree, the court will determine the quantities and priority dates of present perfected rights. No agreement has been reached, as of this date, although negotiations are continuing.

[5] See contract between the United States and the Nevada Colorado River Commission, dated August 25, 1967, article 8.

[6] In *Nebraska* v. *Wyoming*, 325 U.S. 589, 618 (1945), the Court said:

"Priority of appropriation is the guiding principle. But physical and climatic conditions, the consumptive use of water in the several sections of the river, the character and rate of return flows, the extent of established uses, the availability of storage water, the practical effect of wasteful uses on downstream areas, the damage to upstream areas as compared to the benefits to the downstream areas if a limitation is imposed on the former—these are all relevant factors. They are merely an illustrative, not an exhaustive catalogue. They indicate the nature of the problem of apportionment and the delicate adjustment of interests which must be made."

The Special Master, in *Arizona* v. *California*, quoting the foregoing, added (Rept., p. 326):

"It is worthy of note that the Court, in an equitable apportionment suit, has never reduced junior upstream existing uses by rigid application of priority of appropriation. Indeed, the tendency has been to protect existing uses wherever possible. See *Washington* v. *Oregon*, 297 U.S. 517 (1936); *Kansas* v. *Colorado*, 206 U.S. 46 (1907)."

[7] Although our example uses the parties' present perfected rights claims as set forth *supra* in this letter, the application of the Special Master's formula is identical (only using different figures) to that presented by way of example in his report (Rept. 306, 311–12).

[8] The 5.5 total water supply less the 4.2 total present perfected rights (3.4 in California and .8 in Arizona) equals the 1.3 "amount remaining available."

without regard to state lines. Claims of present perfected rights aggregate about 4.2 million acre-feet, hence leaving, within the 7.5 million, only 3.3 million acre-feet of water "remaining available." If the supply should shrink, for example, to 5.5 million, the quantity which would be within the Secretary's power of allocation would be not the 5.5 million, but only 1.3 million (5.5 million less 4.2 million).

2. The Supreme Court's decree does not require proration of this "amount remaining available." The Secretary may, instead, respect priority of appropriation interstate, or protect existing uses, or perhaps invoke other qualitative and equitable criteria as yet untested in the courts. Or Congress, as the Court's opinion says, may take the matter out of his hands and establish its own shortage formula in an "applicable federal statute."

3. If the Secretary does attempt to invoke quantitative proration, to the exclusion of all equitable considerations, it is clear that the Supreme Court's decree prohibits his use of the Special Master's proration formula, and requires a formula more advantageous to California, for two reasons: (1) the decree restricts proration (if proration is applicable to all) to the limited "amount remaining available" after satisfying present perfected rights, not the whole supply (contra the Special Master),[9] and (2) the quantity to be prorated to each State (if proration is invoked at all) shall be in addition to, not inclusive of, that State's present perfected rights (again contra the Special Master).

Finally, it should be emphasized, as noted above, that the Secretary's action is subject to review by the Supreme Court under article IX of the decree, which reserves jurisdiction for any party to apply to the court for relief thereunder.[10] As the opinion points out (373 U.S. 594):

"It will be time enough for the courts to intervene when and if the Secretary, in making apportionments or contracts, deviates from the standards Congress has set for him to follow, including his obligation to respect 'present perfected rights' as of the date the Act was passed."

We trust that the foregoing analysis will be useful to you. If you have any further questions on any of the matters covered in this letter, please call upon us for further advice.

Very truly yours,

THOMAS C. LYNCH,
Attorney General.

APPENDIX A

EXTRACT FROM SPECIAL MASTER'S RECOMMENDED DECREE (SP. MAS. REP. PP. 345–49)

I. For purposes of this decree:

* * * * *

(G) "Perfected right" means a water right acquired in accordance with state law, which right has been exercised by the actual diversion of a specific quantity of water that has been applied to a defined area of land or to definite municipal or industrial works, and in addition shall include water rights created by the reservation of mainstream water for the use of federal establishments under federal law whether or not the water has been applied to beneficial use;

(H) "Present perfected rights" means perfected rights, as here defined, existing as of June 25, 1929, the effective date of the Boulder Canyon Project Act;

* * * * *

II. The United States, its officers, attorneys, agents and employees, be, and they are hereby severally enjoined:

* * * * *

(B) From releasing water controlled by the United States for irrigation and domestic use in the States of Arizona, California and Nevada, except as follows:

(1) If sufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy 7,500,000 acre-feet of annual consumptive use in the aforesaid three states, then of such 7,500,000 acre-feet of consumptive use, there shall be apportioned 2,800,000 acre-feet for use in Arizona, 4,400,000 acre-feet for use in California, and 300,000 acre-feet for use in Nevada;

(2) If sufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy annual consumptive use in the aforesaid states in excess of 7,500,000 acre-feet, such excess consumptive use is surplus, and 50% thereof shall be appropriated for use in Arizona and 50% for use in California; provided, however, that if the United States so contracts with Nevada, then 46% of such surplus shall be apportioned for use in Arizona and 4% for use in Nevada;

(3) If insufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy annual consumptive use of 7,500,000 acre-feet in the aforesaid three states, then the available annual consumptive use shall be apportioned as follows:

(a) For use in Arizona ..... 2.8 / 7.5,

(b) For use in California ..... 4.4 / 7.5,

(c) For use in Nevada ..... .3 / 7.5;

* * * * *

(5) If the water apportioned for consumptive use in any of said states in any year is insufficient to satisfy present perfected rights in that state, the deficiency shall first be supplied out of water apportioned for use in the other two states but not consumed in those states, and any remaining deficiency shall be supplied by each of the remaining states, out of water apportioned for consumptive use in such states which is in excess of the quantity necessary to satisfy present perfected rights in such states, in proportion to the ratios heretofore established between them, to wit: if water must be supplied to satisfy present perfected rights in two of the three states, then the third state shall, out of such excess, supply all the necessary water, and if water must be supplied to satisfy present perfected rights in one state, then each of the other two states shall out of such excess supply that proportion of the necessary water that its apportionment of the first 7,500,000 acre-feet of consumptive use bears to the aggregate apportionment of the two states;[1] provided, however, that present perfected rights in California shall not exceed 4,400,000 acre-feet of consumptive use per annum;

(6) If the mainstream water apportioned for consumptive use in any year is insufficient to satisfy present perfected rights in each and all of the three states, then such water shall be allocated for consumptive use in accordance with the priority of present perfected rights without regard to state lines; provided, however, that present perfected rights in California shall not exceed 4,400,000 acre-feet of consumptive use per annum;

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APPENDIX B

EXTRACT FROM OPINION IN ARIZONA V. CALIFORNIA, 373 U.S. 546, 592–94 (1963)

III. APPORTIONMENT AND CONTRACTS IN TIME OF SHORTAGE

We have agreed with the Master that the Secretary's contracts with Arizona for 2,800,000 acre-feet of water and with Nevada for 300,000, together with the limitation of California to 4,400,000 acre-feet, effect a valid apportionment of the first 7,500,000 acre-feet of mainstream water in the Lower Basin. There remains the question of what shall be done in time of shortage. The Master, while declining to make any findings as to what future supply might be expected, nevertheless decided that the Project Act and the Secretary's contracts require the Secretary in case of shortage to divide the burden among the three States in this proportion: California 4.4/7.5; Arizona 2.8/7.5; Nevada .3/7.5. While pro rata sharing of water shortages seems equitable on its face,[1] more considered judgment may demonstrate quite the contrary. Certainly we should not bind the Secretary to this formula. We have held that the Secretary is vested with considerable control over the apportionment of Colorado River waters. And neither the Project Act nor the water contracts require the use of any particular formula for apportioning shortages. While the Secretary must follow the standards set out in the Act, he nevertheless is free to choose among the recognized methods of apportionment or to devise reasonable methods of his own. This choice, as we see it, is primarily his, not the Master's or even ours. And the Secretary may or may not conclude that a pro rata division is the best solution.

It must be remembered that the Secretary's decision may have an effect not only on irrigation uses but also on other important functions for which Congress brought this great project into being—flood control, improvement of navigation, regulation of flow, and generation and distribution of electric power. Requiring the Secretary to prorate shortages would strip him of the very power of choice which we think Congress, for reasons satisfactory to it, vested in him and which we should not impair or take away from him. For the same reasons we cannot accept California's contention that in case of shortage each State's share of water should be determined by the judicial doctrine of equitable apportionment or by the law of prior appropriation. These principles, while they may provide some guidance, are not binding upon the Secretary where, as here, Congress, with full power to do so, has provided that the waters of a navigable stream shall be harnessed, conserved, stored, and distributed through a government agency under a statutory scheme.

None of this is to say that in case of shortage, the Secretary cannot adopt a method of proration or that he may not lay stress upon priority of use, local laws and customs, or any other factors that might be helpful in reaching an informed judgment in harmony with the Act, the best interests of the Basin States, and the welfare of the Nation. It will be time enough for the courts to intervene

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[9] For example, the effect of the Special Master's formula would have been to impose on California 4.4/7.5, on Arizona the lesser ratio of 2.8/7.5, of any shortage in the 7.5 million apportioned. By contrast, California's share of the "amount remaining" in excess of present perfected rights is 1.0/3.3, which is only one-half of Arizona's share of 2.0/3.3.

[10] Article IX (376 U.S. at 353) provides: "Any of the parties may apply at the foot of this decree for its amendment or for further relief. The Court retains jurisdiction of this suit for the purpose of any order, direction, or modification of the decree, or any supplementary decree, that may at any time be deemed proper in relation to the subject matter in controversy."

[1] Thus if water is to be supplied to California from the other states' apportionment, Arizona shall contribute 2.8/3.1 and Nevada .3/3.1 of the total amount supplied.

[1] Proration of shortage is the method agreed upon by the United States and Mexico to adjust Mexico's share of Colorado River water should there be insufficient water to supply each country's apportionment.

when and if the Secretary, in making apportionments or contracts, deviates from the standards Congress has set for him to follow, including his obligation to respect "present perfected rights" as of the date the Act was passed. At this time the Secretary has made no decision at all based on an actual or anticipated shortage of water, and so there is no action of his in this respect for us to review. Finally, as the Master pointed out, Congress still has broad powers over this navigable international stream. Congress can undoubtedly reduce or enlarge the Secretary's power if it wishes. Unless and until it does, we leave in the hands of the Secretary, where Congress placed it, full power to control, manage, and operate the Government's Colorado River works and to make contracts for the sale and delivery of water on such terms as are not prohibited by the Project Act.

APPENDIX C

ARTICLE II(B)(1), (2), AND (3) OF DECREE IN ARIZONA *v.* CALIFORNIA, 376 U.S. 340, 341, 342–43 (1964)

II. The United States, its officers, attorneys, agents and employees be and they are hereby severally enjoined:

* * * * *

(B) From releasing water controlled by the United States for irrigation and domestic use in the States of Arizona, California and Nevada, except as follows:

(1) If sufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy 7,500,000 acre-feet of annual consumptive use in the aforesaid three states, then of such 7,500,000 acre-feet of consumptive use, there shall be apportioned 2,800,000 acre feet for use in Arizona, 4,400,000 acre feet for use in California, and 300,000 acre feet for use in Nevada.

(2) If sufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy annual consumptive use in the aforesaid states in excess of 7,50,000 acre feet, such excess consumptive use is surplus and 50% thereof shall be apportioned for use in Arizona and 50% for use in California; provided, however, that if the United States so contracts with Nevada, then 46% of such surplus shall be apportioned for use in Arizona and 4% for use in Nevada;

(3) If insufficient mainstream water is available for release, as determined by the Secretary of the Interior, to satisfy annual consumptive use of 7,500,000 acre feet in the aforesaid three states, then the Secretary of the Interior, after providing for satisfaction of present perfected rights in the order of their priority dates without regard to state lines and after consultation with the parties to major delivery contracts and such representatives as the respective states may designate, may apportion the amount remaining available for consumptive use in such manner as is consistent with the Boulder Canyon Project Act as interpreted by the opinion of this Court herein, and with other applicable federal statutes, but in no event shall more than 4,400,000 acre-feet be apportioned for use in California including all present perfected rights;

Mr. BROTZMAN. Mr. Chairman, will the gentleman yield?

Mr. HOSMER. I yield to the gentleman.

Mr. BROTZMAN. Mr. Chairman, I rise in support of H.R. 3300, the Colorado River Basin project bill

For more than 20 years the development of the Colorado River Basin and the central Arizona project has been the center of controversy both here in the Congress and in the seven-State area directly affected by this legislation. This bill H.R. 3300 is the product of long and difficult negotiations between the States of Arizona, California, Colorado, New Mexico, Utah, and Nevada, and represents a compromise of the various interests involved. An important feature of the compromise is the provision of the bill which directs the Federal Government to assume the responsibility for replacing the 1.5 million acre-feet of Colorado River water which must be supplied annually to the Republic of Mexico under the provisions of the 1944 Mexican Water Treaty.

The Mexican Treaty was negotiated in time of war, by the Government of the United States, in an effort to foster international good will and to settle another dispute between the two countries over the use of Rio Grande River water.

The simple fact is that there has not been enough water in the Colorado River to meet the obligations of the Mexican Treaty after the States of the Colorado River Basin divide the water of the river among themselves. The Colorado River States had already agreed on how to divide the water before the Mexican Treaty was ratified. The agreement requires the upper basin States, of which Colorado is one, to deliver 75 million acre-feet of water at Lee Ferry every 10 years. This obligation, plus the obligation imposed by the Mexican Treaty, would not leave enough water in the upper basin to meet the needs of that area.

With the asumption of the Mexican Treaty obligation as a national obligation, the water supply of the Colorado River can be augmented to meet that need. This bill directs the Secretary of the Interior to investigate means of augmenting the water in the Colorado River under principles to be established by the Water Resources Council. The acceptance of national responsibility for the Mexican Treaty obligation will not, however, create an immediate need for large quantities of water to augment the Colorado. It is estimated that under normal conditions, there will be ample water in the river until around 1987 when gradual reductions may commence. The central Arizona project and future water use developments in the Upper Colorado Basin will put the ultimate overdraft on the river until about 1990. By 1990 an augmentation of 102,000 acre-feet—or less than 1 percent of the total requirement—may be needed.

One of the major obstacles to passage of the bill 2 years ago was the authorization of the construction of the Marble and Bridge Canyon Dams on the Colorado River. That authorization was opposed by several conservationist groups. Both of these projects have been eliminated. This bill not only forbids the construction of Bureau of Reclamation dams in this area, but also prohibits the licensing of private dams by the Federal Power Commission.

The bill does provide for the construction of the Hooker Dam on the Gila River in New Mexico. However, the committee, in reporting this bill, did not specify the Hooker site absolutely, but left open the consideration of "a suitable alternative."

Mr. Chairman, the State of Colorado has strongly endorsed this measure. Gov. John Love, of Colorado, told the Interior and Insular Affairs Committee:

> Hundreds of hours of most difficult negotiations have been incorporated into H.R. 3300. It is not a bill which provides an immediate solution to all of the water problems of the Colorado River states. It does, however, approach the problems on a broad, regional basis. . . . We support each of its provisions.

The soundness of this legislation is demonstrated by the unity among the diverse parts of Colorado in working for passage of this measure. We, in Colorado, have recognized the greater benefit which this legislation will bring to the entire State by setting the controversial water problems of the Southwest.

H.R. 3300 authorizes the construction of the Five Fingers projects in Colorado. We like to refer to these five projects as a "helping hand" in the solution of Colorado's water supply problem. The projects are the West Divide, Dallas Creek, San Miguel, Dolores, and Animas-La Plata. In total, the Five Fingers projects will provide about 719,000 acre-feet of water annually for irrigation, municipal, and industrial use in Colorado.

Most of the flow of the Colorado River originates in the State of Colorado. The river accounts for about 70 percent of the total surface water produced in the State. Under the Colorado River Basin Compact of 1948, the State of Colorado was allocated 51¾ percent of the water available to the upper basin States.

The Five Fingers projects will mean an annual depletion of the Colorado River flow of about 398,000 acre-feet. This depletion represents less than 4 percent of the Colorado River water that is actually produced within the State each year. It represents only a portion of the State's allotted 51¾ percent of the water available to the upper basin States.

All of the Five Fingers projects will contribute greatly to Colorado's municipal, industrial, and agricultural water supplies. One of them, the West Divide project, is designed to provide water for the State's emerging oil shale industry. Two of the projects—the Animas-La Plata and the Dolores—would directly benefit both the Ute Mountain Ute and the Southern Ute Indian Tribes, and would greatly enhance the economic opportunities of both groups.

Except for the usual nonreimbursable items such as fish and wildlife, flood control, recreation, and water salvage, the construction costs of these reclamation projects will be repaid to the United States.

Mr. Chairman, H.R. 3300 is a compromise measure which provides a solution to the water problems of the Colorado River Basin and the Pacific Southwest—a center of controversy for more than 20 years. This bill affords us an opportunity to end that controversy and to benefit not only the citizens of the Colorado River Basin but of all the United States.

Those of us who represent districts in the Southwestern United States, from both sides of the aisle, have, for the last few weeks been talking with our colleagues from the other areas of the Na-

tion to educate them and make known to them just what this bill means not only to the States of the Colorado River Basin, but to the entire country.

For my part, I have contacted many of my Republican colleagues, as well as Democrats, and have attempted to explain to them what this compromise means and how this bill, if enacted, can settle a controversy which has raged for more than 20 years over the use of the waters of the Colorado River. Unlike so many other measures considered in this body, this bill is the product of a truly bipartisan effort.

I want to take this opportunity, Mr. Chairman, to congratulate the Interior and Insular Affairs Committee and particularly, the committee chairman, my colleague from Colorado [Mr. ASPINALL], for the fine work they have done in putting together this legislation. I urge its enactment.

Mr. ASPINALL. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. UDALL].

Mr. SAYLOR. Mr. Chairman, will the gentleman yield, and I will yield the gentleman a minute?

Mr. UDALL. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Chairman, I would like to read into the RECORD a section of the original Colorado River compact. If people think what happened in 1944 was done under wartime stress or a mistake of fact as to the amount of water in the river, and that people did not expect the States of the basin would have to provide water to Old Mexico then they have not read the Colorado River compact because article III, section (c) says:

(c) If, as a matter of international comity, the United States of America shall hereafter recognize in the United States of Mexico any right to the use of any waters of the Colorado River System, such waters shall be supplied first from the waters which are surplus over and above the aggregate of the quantities as specified in paragraphs (a) and (b); and if such surplus shall prove insufficient for this purpose, then, the burden of such deficiency shall be equally borne by the Upper Basin and the Lower Basin, and whenever necessary the States of the Upper Division shall deliver at Lee Ferry water to supply one-half of the deficiency so recognized in addition to that provided in paragraph (d).

Mr. UDALL. Mr. Chairman, the gentleman from Pennsylvania has read the compact correctly, but, of course, in 1944, when the treaty was ratified, the United States of America gave away water we thought we had, and thought was surplus. The gentleman from Pennsylvania pointed out in his remarks that Senators from six of the seven States voted for the treaty. I want to tell the gentleman why they voted for it.

They voted for it because it was believed by the States and by the Senate—and page 44 of the report says this—that we thought we had a surplus that we would give away to Mexico, and that the States would not have to reduce the allocations they had under the 1922 compact, from which you read. In the Senate report on the treaty of 1944 there was one sentence I will read as follows:

Presumably then, the Mexican allocation of 1,500,000 acre-feet per year will be supplied from the amount of approximately 2,000,000 acre-feet which is estimated to be the surplus after the Compact allocations, totalling 16,000,000 acre-feet, have been supplied.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I believe the gentleman from Arizona also would agree with my recollection of the minutes of the Santa Fe compact. Is it not the gentleman's recollection that the commissioners who finally agreed on the Santa Fe compact thought that at no time there would ever be more than 500,000 acre-feet of water allotted to the Republic of Mexico? Are not those figures in the minutes relating to the compact?

Mr. UDALL. Precisely. When the treaty gave them 1½ million acre-feet, they were using only about one-half of that.

Mr. Chairman, to the surprise of no one in the Chamber, I suppose, I want to say that I support this bill. I support it as the committee reported it. It is a sound bill. It is a sound compromise, as was said earlier today, of one of the problems which has plagued the most water short area of our country, the seven-State area of the Colorado River Basin.

Mr. Chairman, for nearly half a century Arizona has hoped and planned for full use of its allotted share of water from the Colorado River. The Santa Fe compact of 1922 laid the groundwork for allocations from the river's flow among the seven States of the basin. The Boulder Canyon Project Act of 1928 allocated to Arizona the use of 2.8 million acre-feet annually from the main stem of the river.

In 1944 the Arizona Legislature appropriated $200,000 for a $400,000 cooperative investigation by the Bureau of Reclamation which culminated in 1947 in a full feasibility report on a central Arizona project to the Congress. Our stuggle for an authorization really began in the 80th Congress with S. 75. But today, for the first time after 21 years of patient but frustrating effort, a bill to authorize the central Arizona project has finally reached the floor of this House.

For Arizona this is an historic and heart-warming moment. H.R. 3300 is a distillate of our hopes, our struggles, our faith in the future.

As some of my colleagues may tell you, the bill is not perfect in every detail. But, gentlemen, that which we have been unable to make absolutely perfect during 21 years of give and take, of negotiation and compromise, of study and planning is probably beyond the ability of mortal men to achieve. Two generations of great men have lived and died in the attempt to solve the problems of the Colorado River. More must and will devote their minds to those problems in the future.

But H.R. 3300 is here and now, and it is a milestone of progress. It gives Arizona the water which it must have for elementary survival as a productive unit of our Nation; and more, it establishes the framework for future regional resolution of water resource development problems directly affecting the lives of millions of people in the seven States of the river basin and millions more in the years ahead.

Thus, in pleading the cause of this bill as it affects by own State of Arizona, I am also championing the rights and aspirations of the family of Southwestern States, of which Arizona is a member.

The history of the Colorado River from the beginning of this century is the most fascinating chapter of the development of the American West. A formidable barrier to migrating pioneers, a gigantic challenge to man's courage and inventive genius, a promise of good things to come, a threat of destruction by flood and a fulfilment of men's dream—all these and more compose the human saga of our people and their river, the Colorado.

Below Lee Ferry in northern Arizona—the dividing point between the upper and lower basins of the river—diversions of water for irrigation were begun in the Yuma area of Arizona and the Palo Verde Valley of California before the beginning of this century. The great Imperial Valley irrigation development was begun in about 1902. All of these areas were menaced from the beginning by the uncontrolled flow of the river. Floods destroyed the fragile works of the pioneering developers.

Out of the dark and forbidding canyon of the Colorado came vast floods of water from the melting snows of the great Rocky Mountains. The paper allocations of the Santa Fe compact of 1922 meant nothing. Water could not be stored and held back for orderly release.

Not until the Congress authorized and commenced construction of Hoover Dam was the river tamed and future water resource development in Arizona, southern California, and Mexico secure from repeated disaster.

Development of lower basin resources began in earnest with the completion of Hoover Dam. The storage capacity of 32,000,000 acre-feet in Lake Mead was a guarantee against the danger of both droughts and floods. Power from the dam's hydroelectric generators was available for industrial and population expansion. The Boulder Canyon Act also appeared to have settled at last the aggravating controversy over the allocation of river water among Arizona, California, and Nevada in the lower basin. By act of Congress, Arizona's annual allotment was 2.8 million acre-feet, California's 4.4, and Nevada's 300,000.

In 1932, California contracted with the Secretary of the Interior for delivery of its 4.4 million-acre-foot allotment and for 962,000 acre-feet of any available surplus. In 1937, consulting engineers for the Department of the Interior produced a report, "Surplus Waters of the Colorado River," in which the conclusion was drawn that water was available for use in Mexico. Parker Dam was completed in 1938 as a diversion point for the Los Angeles aqueduct, and in Arizona, a Colorado River Commission was established.

A preliminary report was prepared on the Bridge Canyon project—forerunner of the central Arizona project—in 1942, and in 1944 Arizona contracted with the Secretary of the Interior for delivery of its 2.8 million acre-feet of water.

The Senate Subcommittee on Public Lands actually held hearings on a Bridge Canyon—central Arizona—project bill,

S. 75, in 1947. Arizona's Gila project was reauthorized that year to apply mainstream Colorado River water to the lands of the Welton-Mohawk Valley and other areas in Yuma County, and that was, to this day, the last reclamation project authorized by the Congress for Arizona.

In December of 1947 a formal central Arizona project feasibility report was submitted to the Secretary of the Interior by the Bureau of Reclamation, and in the following September the Secretary's favorable report and findings were transmitted to the Congress and published in House Document No. 156.

In the 80th Congress, the 81st, and the 82d, hearings were held on central Arizona project bills. Arizona's hopes rose and fell with each succeeding attempt and failure for an authorization.

World War II began and ended, and the Korean conflict arose, both demanding food and fiber production in immense quantities; and Arizona responded by tapping its limited groundwater resources in ever increasing quantities to help meet the needs of the Nation.

Yes, we knew in Arizona that groundwater was precious and irreplaceable. But with traditional American faith and optimism we continued, in the national interest, to use what was available in the firm belief that when the crisis of war was over, the Congress would make it possible to bring our share of Colorado River water to the richly productive developed lands of the State's central valleys so that we could balance our internally available water account. We would develop no new lands for irrigation with central Arizona project water. We would use Colorado River water simply to maintain what had been developed but reduce our overdraft upon groundwater.

That was, and still is, our purpose. We have pinned our hope upon it. We have had faith that it would be done. We still have that faith, but time is running out for us, it is running out for our economy and for our people.

Certainly one of Arizona's greatest frustrations came in 1951 in the 82d Congress when, with a central Arizona project bill already passed by the Senate, the House Committee on Interior and Insular Affairs adopted a resolution offered by my good colleague from Pennsylvania, the Honorable JOHN SAYLOR, to defer further action on central Arizona project legislation until the question of legal entitlement to water had been resolved between Arizona and California.

To carry out the dictates of the committee, Arizona filed suit against California in 1952 in the U.S. Supreme Court. We were assured by our adversary and others that no more than a few months would be required for the litigation. And thus, the beginning of the "big lawsuit"—which was filed in 1952 and ended over 10 years later in June of 1963—substantially upholding Arizona's claim to 2.8 million acre-feet of water from the mainstream of the river. We call it the "big lawsuit" because the trial itself lasted from June 14, 1956, to August 28, 1958, during which period 340 witnesses were heard on almost every conceivable subject, thousands of exhibits were received, and 25,000 pages of testimony were transcribed. Evidence was even introduced on behalf of those interested in wildlife on the subject of how much water is required to keep a wild goose in the manner to which he is accustomed. On this important subject the transcript contains an outstanding piece of verse by one of the learned counsel who participated in the trial. He offered in evidence this lyrical documentation of this difficult problem—it is called "Owed to a Waterfowl":

It seems just trifle absurd
That, in water consumption, a bird
Tho lesser in weight
And more waddling in gait,
Equals almost two men and a third.

Immediately following the court's decision, Arizona's Senators HAYDEN and Goldwater introduced S. 1658, on June 4, 1963, and her Representatives in the House introduced H.R. 6796, H.R. 6897 and H.R. 6798—all to authorize the central Arizona project essentially the same as was recommended by the Secretary to the 80th Congress 20 years earlier.

In that same year, 1963, my wise colleague from Colorado, the chairman of the House Interior and Insular Affairs Committee, urged upon Arizona a unified and regional approach to the Colorado Basin problem, including the central Arizona project, and responding to this advice, the Department of the Interior rushed to completion a report on its Pacific Southwest water plan. This plan and S. 1658 were given committee hearings during the remainder of the 88th Congress. The House Subcommittee on Irrigation and Reclamation came to Arizona for field hearings to learn of the need for the central Arizona project.

As the 89th Congress opened in 1965, California and Arizona were engaged in open warfare, particularly on the Senate side where Senators HAYDEN and FANNIN had reintroduced central Arizona project legislation as S. 75, and Senators KUCHEL and MURPHY had introduced their version in S. 294. On February of 1965, Senator HAYDEN, in order to break the deadlock, indicated he might accept Senator KUCHEL's amendment granting to California a priority for 4.4 million acre-feet annually until such time as 2.5 million acre-feet annually were imported to the river—if such a bill actually passed the House.

Here on the House side, 34 California Congressmen introduced bills similar to the Kuchel bill—as did Arizona's three Members. The action was hailed as a great breakthrough for unified regional water development, and Arizona dared hope again for approval of its desperately needed aqueduct from the river. Primary action shifted from the Senate to the House where H.R. 4671 was the bill upon which hearings were begun by the Subcommittee on Irrigation and Reclamation on August 23.

A seven-State consensus involving Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming was laboriously ground out during the next several weeks, and with each new agreement, the bill grew more inclusive, more cumbersome and more costly.

The gross regional project package, with its authorization of both Hualapai—Bridge Canyon—Dam and Marble Canyon Dam, and its proposal to import water from another regional river brought effective opposition from organized nature preservationists and the people of the Pacific Northwest.

Finally, on June 28, 1966, the House subcommittee sent the bill to the full Committee on Interior and Insular Affairs, and on August 11, that committee reported it out favorably. The hour was late. The bill was big. Its enemies outside the Colorado Basin were many and powerful. It did not reach the floor of the House, and Arizona's hopes for a central Arizona project were again shattered. Indeed, so shaken and discouraged were Arizona's leaders that the State legislature passed a water and power plan act as the basis for a "go-it-alone" central Arizona project in case the Congress ultimately failed to authorize it as a Federal reclamation project.

Obviously it is unfair to expect Arizona alone among the 17 western reclamation States to so heavily burden its people and its economy—and obviously none of the regional problems of the basin would, or could, be solved by such an approach. When hundreds of millions of Federal dollars are poured annually into so many other States for flood control, rivers and harbors and water resource development for which no repayment is expected, surely the Nation will not deny to Arizona its badly needed project for which practically all costs will be returned by its Arizona beneficiaries under terms of the National Reclamation Act.

I have brought this brief history now to the threshold of this 90th Congress. Swiftly, last January, we Members of this House from Arizona introduced again new central Arizona project bills, as did Congressman HOSMER, of California, and Congressman ASPINALL, of Colorado. It is Mr. ASPINALL'S bill, H.R. 3300, that is before us today; and again it is a regional bill, though far more practical and acceptable to a larger majority than was H.R. 4671 in the 89th Congress.

On the Senate side, S. 1004, a bill jointly introduced by Senators HAYDEN, JACKSON, FANNIN, ANDERSON, and BIBLE, was passed by an overwhelming vote on August 7 of last year.

For those of my colleagues who have not had time to study H.R. 3300 in detail, I want to emphasize two points in particular which seem to be of concern to many Members of this body. First, the bill does not authorize any dams on the main stem of the Colorado River. Second, the bill does not appropriate any money.

As an Arizona representative from the reclamation West and an active conservationist, I had many discussions and some honest disagreements with those who so effectively opposed the authorization and construction of Hualapai and Marble Canyon Dams during hearings in the 89th Congress.

But the conservationist organizations carried their point of view so effectively to the public at large that many of you felt the heat of their well-organized, well-financed, nationwide letter writing and newspaper advertising campaign.

Most of my Western States colleagues have believed that the social, esthetic,

and economic values of Hualapai Dam and lake heavily outweigh the very minor encroachment upon the total natural values of the Colorado River—and that this dam at least ought some day to be built.

Nevertheless, in this bill, H.R. 3300, we bow to the superior political influence of our preservationist friends and invite and expect their support of a project authorization that does not include any dams on the Colorado River.

It is, incidentally, this omission of the mainstream hydroelectric power producing dams that necessitates H.R. 3300's new approach to the acquisition of power to lift water out of the river up into the central Arizona project aqueduct.

If you agree, as do even the bill's severest critics, that Arizona truly needs and ought to have its central Arizona project after all these years of waiting—and if you agree with the necessity of omitting the hydroelectric dams, then you will find this bill essential and worthy of your full support.

Concerning the second point having to do with appropriations of money for the project, I repeat that this bill is an authorization only and appropriates no funds whatever. We do not ask in this bill for appropriation of funds to begin construction of the central Arizona project or any other of the authorized works.

It is our conviction that with the hoped for early end of the war, it will be in the national economic and social interest to begin construction of this project as quickly as possible as an important means for economic adjustment. Thousands of people will be employed over a period of several years in the construction of this project. Millions of dollars worth of raw materials and industrial products and machinery will be required from suppliers located across the Nation.

In any event, the need for appropriated funds for the central Arizona project will be relatively small during the early construction period, and will peak out at about $115 million in the 8th year.

Now I should like to proceed with an analysis of some of the other major provisions of H.R. 3300, and with comments on the compromises that are reflected in those provisions and Arizona's understanding of the agreement reached relating to those compromises.

The title of H.R. 3300—"Colorado River Basin Project"—indicates the bill's regional character. It is not simply a central Arizona project bill. On the other hand, it is very substantially reduced in scope from the Department of the Interior's 1964 Pacific Southwest water plan or H.R. 4671, which was reported out by the House Committee on Interior and Insular Affairs in 1966 during the 89th Congress. The regional nature of H.R. 3300 lies largely in the foundation it provides for future actions by the Congress to resolve the future water problems of the Upper and Lower Colorado River Basin States. This purpose of the bill is stated in section 102(a), and in 102(b), the Congress advises the Secretary of the Interior to consult with affected States and with appropriate Federal agencies and then to develop a regional water plan as a framework for future coordinated project authorizations in the Colorado River Basin.

Title II provides for investigations and planning, and involves a determination of the long-range water supply available to the Colorado River Basin; investigation of all the possible sources and means for meeting anticipated water needs of the basin, except that no recommendation shall be made on importation of water from any other river basin without the approval of those States which might be affected by an exportation.

Arizona recognizes that eventually some means for augmenting the present supply of water in the basin must be found. Apparently such means should be developed within the next 30 to 40 years if serious shortages are to be avoided. However, our Arizona economy cannot tolerate a delay of the central Arizona project itself until the means of an augmentation are developed and achieved.

The investigations authorized by title II include water quality and conservation concerns, matters which are of prime interest to us as they are to the Nation as a whole.

Section 201(a)(5) of title II instructs the Secretary to prepare estimates of long-range water supply in States from which water could be imported after their own long-range needs are fully accommodated. He must do this in accordance with principles, standards and procedures established by the Water Resources Council in conformity with the Water Resources Planning Act.

Next the Secretary is to submit a reconnaissance report to the President and the Congress by 1973, covering the results of all of his investigations of the means of augmentation. And by 1975 he is to submit a feasibility report on a plan for augmenting the supply of water available in the river below Lee Ferry by 2.5 million acre-feet annually.

Arizona is aware of the opposition to section 201 of title II by the States of the Columbia River Basin, and we are sympathetic with their desire and need to reserve and protect the vast water resources of their basin for long-range future uses in that basin. However, we call attention to the fact that as a result of the opposition arguments of the Columbia Basin States, section 203 of title II provides very specific protection for all possible States and areas or origin. We also submit our opinion that it is quite likely that the authorized investigations will ultimately determine that the best and most economical way to increase the supply of water available to the Colorado Basin is by means of a combination of desalting plants, weather modification and various conservation measures.

This opinion is fully substantiated by Commissioner Dominy's testimony before the House committee in January and February of this year, as illustrated, in part, by the following dialog:

Mr. HOSMER. Don't you think when these studies are turned out, when they do take in all these alternatives, they will find anything from the Northwest is equally prohibitive, that nobody would consider trying to go that route?

Mr. DOMINY. I think that is right, sir.

Mr. FOLEY. Is it not a fact, Mr. Commissioner, that there is really not much of an impression in your Department that it is economic to move water from the Columbia Basin southwest compared to other available alternatives?

Mr. DOMINY. We have no final judgment and, of course, the quantities involved would play an important part in it.

Mr. FOLEY. If you had to make a present estimate based on the amounts required to make the Colorado River whole, would you judge that transmission of water or diversion of water from the Pacific Northwest is more expensive than any of the other proposals, assuming that they work out as projected?

Mr. DOMINY. Assuming conveyance limited to 2.5 million acre-feet, yes; I would say the cheapest source is in the Southwest rather than to go as far as the Columbia River.

* * * * *

Mr. FOLEY. In that context, it is your opinion, is it not, that if we were looking to costs, we would have to place diversions from the Pacific Northwest as the most expensive of the current suggested means of augmentation?

Mr. DOMINY. When you are thinking in terms of 2.5 million acre-feet; I think this is correct.

Title II does not point a gun at the States of the Columbia River Basin. If it points anything at all, it is but a small and very tentative question mark, and control of the answer is left in the hands of the Columbia Basin States.

Section 202 of title II simply confirms that satisfaction of the requirement of the Mexican Water Treaty is a national obligation. I will discuss this in some detail a little later in my remarks.

Section 205 authorizes, but does not appropriate money for the purposes of title II.

Title III is of primary interest to Arizona because it is most closely addressed to our immediate needs. Section 301(a) authorizes the physical works and facilities required for delivery of Colorado River water into the central part of the State.

I call your attention to the Granite Reef aqueduct and pumping plants which are sized to have a capacity of 2,500 cubic feet per second.

The matter of central Arizona project aqueduct capacity was once a subject of intense controversy between Arizona and California. The original Bureau of Reclamation design for the Granite Reef aqueduct was a capacity of 1,800 cubic feet per second, which would handle a maximum diversion of 1.2 million acre-feet annually on the basis of 11 months of continuous operation.

When the system was designed more than 25 years ago, it was assumed that there would never be less than 1.2 million acre-feet per year available; and an aqueduct of that capacity was therefore adequate. Since then, however, the need for water in central Arizona has greatly increased and the eventual possibility of recurring shortages of water available for diversion from the river has become a real possibility.

Simply stated, while there may ultimately be years in which there is less than 1.2 million acre-feet of water for the central Arizona project aqueduct,

there will also be years in which substantially more than 1.2 million acre-feet are available to central Arizona. In the latter case, the central Arizona project aqueduct should have a capacity to carry more water in order to average out the years of short supply. A capacity of 2,500 cubic feet per second makes this averaging process physically possible. Fortunately, Arizona's development and use of groundwater makes such management of varying surface water supply very practical. When more than the average quantity of Colorado River water is available and being delivered—deep well pumps in central Arizona can be shut down to reduce the deliveries of groundwater in precise proportion to the amount of Colorado River water being delivered in excess of the average. In this way, water conservation management becomes a result and a function of adequate sizing at a 2,500 cubic feet per second capacity.

With this understanding of the purpose and function of a central Arizona project aqueduct capacity greater than 1,800 cubic feet per second, California agreed to a designated capacity of 2,500 cubic feet per second. In fact, in H.R. 4671 California agreed to a capacity even greater than 2,500 cubic feet per second providing Arizona itself financed the difference in cost above the cost of the 2,500 cubic feet per second capacity.

In subcommittee hearings on H.R. 4671, Bureau of Reclamation testimony showed that the benefits-cost ratio of the central Arizona project actually improves with increased aqueduct capacity, at least up to 3,800 cubic feet per second.

Subsection (b) of section 301 is the real basis for California support of the central Arizona project. It provides a shortage formula in any year in which there may be too little water to satisfy a consumptive use of 7.5 million acre-feet in Arizona, California, and Nevada. In the case of California, this protection is limited to not more than the 4.4 million acre-feet to which the U.S. Supreme Court said was allocated by the Boulder Canyon Project Act to California.

Arizona faced a political fact of life as it turned from the victory in court to resume the legislative effort in the Congress. California's representation in the Congress was overwhelming superior in numbers to Arizona's three Members of the House of Representatives. It became abundantly clear to us that although the court had not provided a formula for sharing any shortage which might occur in the lower basin supply of mainstream Colorado River water, California would insist upon a formula being written into any central Arizona project bill as a condition of its approval.

Our urgency of need, and recognition of California's power and influence to prevent enactment of any central Arizona project bill of which it did not approve, persuaded Arizona to negotiate the issue in search of a basis for agreement. This was also in line with our interpretation of Chairman ASPINALL'S plea to Arizona on September 8, 1963, that we compose our differences with our neighbors in the basin before submitting our project to his committee and the Congress.

Incidentally, though significantly, the priority of use over the central Arizona project under shortage conditions is extended by this provision to existing contract users in Arizona, as well as in California and Nevada. It is not our intention in any year of Colorado River shortage to reduce or limit contract deliveries of water to other established projects in Arizona for the advantage of the central Arizona project.

The first agreement with California on this issue was negotiated in connection with Senate bill 1658 which was introduced by Senators HAYDEN and Goldwater in the 88th Congress.

About that time, too, in a letter to my constituents in Arizona, I said:

> Both Arizona and California have pressing water needs which cannot be long delayed. It's time we came out of the old trenches, shook hands and began working together to solve our common problems. To this end we should not decide in advance to reject any and all overtures, however constructive, which our neighbors to the west might take. Let us remember that our goal is water for Arizona at the earliest possible date. Which path is most likely to achieve that goal? This should be our only question.

At about that same time Northcutt Ely, California's chief counsel in the Colorado litigation, was reported telling his people that in all further proceedings the interstate priorities of existing California projects "must be protected against future Arizona projects" to the extent of 4.4 million acre-feet annually.

At a meeting of the Governors of Arizona, California, and Nevada on July 25, 1963, Secretary of the Interior Stewart Udall appealed to them to try to resolve interstate controversies and thus avoid carrying their differences before the Congress. He said:

> I hope you will explore every possible route of compromise.

On September 8, 1963, speaking in Arizona, Gov. PAUL FANNIN warned that:

> We have a long and difficult job ahead of us, and the major battle will be in the U.S. House of Representatives, probably after the Senate has passed the Hayden-Goldwater bill.

Shortly after the Supreme Court handed down its final decree on March 9, 1964, Mr. Ely publicly offered the 4.4 priority for California as the key for ending the Arizona-California deadlock over central Arizona project legislation. Later this suggestion, or demand, coming from both Mr. Ely and California Attorney General Stanley Mosk, was proposed as an amendment to S. 1658 by Senator KUCHEL, of California. Commenting on it at that time, Attorney General Mosk said:

> If the amendment I have proposed becomes law, I shall, so long as life and health remain, appear before any committee of Congress if requested and testify in favor of appropriations to complete as rapidly as possible the proposed Central Arizona Project.

And Mr. Ely, in testifying before the Senate committee, said of the 4.4 million acre-foot California priority proposal:

> Accept this and your new project (CAP) can be authorized at once, with our support not only for authorization but for appropriation.

It was against this backdrop of proposals, threats, and promises that negotiation of this issue was quietly begun between Governor Brown, of California, and Senator HAYDEN, of Arizona, in May of 1964. On July 27, 1964 the Senate Subcommittee on Irrigation and Reclamation recommended passage of S. 1658 which then included the 4.4 California priority for a period of 25 years.

The agreement which this expressed in proposed legislation certainly meant that when California's diversions were reduced to the court-decreed right of 4.4 million acre-feet annually from the 5.1 million acre-feet then being diverted by California, the Metropolitan Water District of Southern California would lose about 700,000 acre-feet of water annually due to the California intrastate system of priorities. For Arizona it meant acceptance of the principle that its central Arizona project water supply right is inferior to California's right to 4.4 million acre-feet. In the sense that both States yielded something of value in return for something of apparent value, a true compromise was reached.

The terms of the compromise have, however, been changed from time to time since 1964. In H.R. 4671 in the 89th Congress, at California's insistence, the 4.4 million acre-foot priority for that State became a forever-and-ever guarantee rather than being time-limited to 25 years. In S. 1004, the bill passed in the first session of this 90th Congress, the priority time period was increased from 25 years to 27 years to conform with the payout schedule of MWD bonds. In H.R. 3300 the California priority extends until the available supply of water in the Colorado River system is augmented in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of 7.5 million acre-feet in Arizona, California, and Nevada.

Arizona is not happy with this compromise—neither are many Californians. Nevertheless, we will support it because it is a necessary condition imposed by California in return for a promise of that State's support of a bill authorizing the central Arizona project and ensuing appropriations.

Section 302 of title III deals fairly and handsomely with the rights of certain Arizona Indians as they are affected by the central Arizona project. Our Indian citizens deserve equitable consideration by both Federal and State Governments and section 302 provides just that in terms of money, lands, and other benefits.

Section 303 is a highly significant resolution of the problem created by the omission from this bill of the hydroelectric dams on the main stem of the Colorado River. This method of providing the essential power requirements for the central Arizona project was among the Sierra Club's suggested alternatives for the dams to which they so militantly objected.

Section 303 provides that the Secretary of the Interior should study all alternative methods of supplying power to meet the pumping needs of the central Arizona project, but none of the plans

are to include dams on the mainstream of the Colorado River.

Any plan which the Secretary selects must be submitted to the Congress within one year after the date of this act, unless the plan selected is for participation in a thermal steamplant by prepayment as provided in subsection 303(b) of this act. If participation in a thermal steamplant is selected, the Secretary may enter into contracts with the non-Federal interests who propose to construct and own a large thermal generating powerplant, under which the United States will acquire sufficient capacity in the plant to operate the pumps and associated facilities of the central Arizona project.

The Federal Government will pay not more than its share of the costs of the powerplant and facilities under the power prepayment plan. The Federal Government's share of the capacity of the thermal powerplant shall not exceed the ratios of the respective capacities to be provided for the use of the United States to the total capacity of the thermal plant. For example, if the United States requires 400,000 kilowatts of power, the Federal Government's share of capacity of a 2-million-kilowatt thermal plant would be 400 two-thousandths, or 20 percent. The prepayment by the United States would be 20 percent.

The Federal Government will also share in transmission capacity from the powerplant to the pumping plants. The Government will pay for and use a proportionate share of any line capacity needed to meet the pumping requirements.

The policy of the State of Arizona, and a basic concept of the Bureau of Reclamation plan for the central Arizona project, is that no water delivered by the project shall be used to develop new irrigated lands. It always has been and is now a rescue project to provide supplemental water to sustain existing agricultural uses and future municipal and industrial uses.

Section 304(a) provides that no water delivered by the central Arizona project shall be made available for irrigation of lands which have no recent irrigation history. Indian lands and national wildlife refuges are, of course, excepted.

Our annual overdraft upon groundwater in central Arizona is estimated to be in excess of 2 million acre-feet. Central Arizona project water simply must be used to the fullest possible extent to reduce that overdraft upon limited groundwater reserves. This gets at the heart of our most pressing and immediate need.

Subsections (b), (c), (d), and (e) of section 304 set forth the conditions which will govern central Arizona project water delivery contracts with the Secretary. The Secretary may, if necessary, require that contracting organizations possess the power to levy assessments against real property to assure repayment. The basic project cost repayment period is 50 years. The price of water for each class of use shall be the same at all points of delivery. Water contracted for irrigation use may be made available by the Secretary for municipal and industrial use if such water is no longer required by the contractor for irrigation purposes. This last provision is intended to accommodate change in water use as agricultural lands in the central Arizona project service area are urbanized. It is a wise provision in light of Arizona's rapidly expanding urban population and industrial development, and in view of limited water resources.

With growing pressures of population and the very real need by people for recreation facilities to enrich their lives, it is logical and reasonable that water should contribute to meeting that need. The Arizona Game and Fish Department is making a valiant effort to keep up with the demand for such facilities. It has a tentative plan for development of a few small water impoundments in the high, cool elevations of Arizona where evaporation rates are relatively low. Water, even in the small amounts required for such nonconsumptive use, is available only if, by means of the central Arizona project, exchanges can be negotiated. Subsection 304(d) provides authority for such exchange contracts.

Central Arizona project contracts are also tied to conservation of both surface and ground water. Contracts will require measures in effect and adequate to control expansion of irrigation from ground water aquifers receiving recharge from irrigation in the contract service area. Canals and ditches must be lined to prevent conveyance losses, and ground water shall not be pumped inside any central Arizona project service area for use outside such areas unless a surplus exists which requires drainage.

Contractors may be required to make water exchange agreements in order to benefit water-short communities beyond reach of the central Arizona project main aqueducts.

Section 304(f) provides a potential central Arizona project benefit for users of Gila River water in New Mexico by exchange. An average of 18,000 acre-feet annually may be made available in New Mexico in this way providing that such an exchange produces no economic injury or cost to exchange-conditioned contractors in Arizona. If and when the Colorado River system is augmented sufficiently to make more than 2.8 million acre-feet annually available in Arizona, an additional 30,000 acre-feet may be made available from the Gila River by exchange.

This again is the result of an interstate compromise, negotiated somewhat reluctantly on Arizona's part, but agreed to and kept in good faith insofar as this particular bill, H.R. 3300, is concerned. Arizona considers it a part of the package which it supports for the purpose of obtaining the central Arizona project authorization contained in H.R. 3300. If this bill is not enacted the agreement between Arizona and New Mexico on this matter is, of course, nullified.

Section 305 is a further implementation of the principle that the water requirement of the Mexican Treaty is a national obligation. It specifies that water added to the river to meet this obligation—to the extent that the treaty deliveries reduce the available supply for California's 4.4 million acre-feet, Arizona's 2.8 and Nevada's 0.3—shall cost users in these States no more than it would have had it been available without the augmentation. This is a part of the legislative package which Arizona supports because of the agreement on a regional approach to Colorado River problems including authorization of the central Arizona project. But although we support this and other regional factors of the bill, and regard it in good faith as a part of the package on which an agreement exists, we wish to point out that the Bureau of Reclamation has repeatedly indicated that the central Arizona project is completely feasible in all respects on its own merits alone.

Section 306 directs the Secretary to undertake programs for water salvage and groundwater recovery along the mainstream of the Colorado River. This highly important program can ultimately make several hundreds of thousands of acre-feet of water available in the river according to the Bureau of Reclamation, and to the extent that it does, the shortages which may develop could be delayed or even prevented entirely. Water users in the Colorado Basin, including Arizona, can ill afford preventable waste or losses of water.

A compromise between Arizona and Utah is given force in section 307 which reauthorizes the Dixie project and provides for its participation in the repayment arrangement of the Lower Colorado River Basin Development fund. The estimated costs of the Dixie project have increased and Arizona cannot deny Utah the advantages made available to other basin States by the regional approach of H.R. 3300.

While section 309 authorizes the appropriation of funds required for construction of the central Arizona project works and facilities, it does not actually appropriate any money.

Of course, Arizona wishes and badly needs an immediate start of construction. Even with a start this year it would be 1976 at the earliest before water deliveries could be made—nearly another decade of groundwater overdrafting to stay alive. Eight years in which more farmland will go back to the desert, and more economic losses will be sustained by Arizona businessmen whose incomes depend in whole or in part on agriculture.

But we respect the judgment of so many of our colleagues that the condition of our national economy recommends a temporary postponement of spending, even for wealth producing resource development projects such as ours.

TITLE IV

As in most present day major reclamation projects, the bill provides for the establishment of a development fund covering the authorized lower basin projects and future augmentation of the water supply of the Colorado River.

A development fund, as used in reclamation project legislation, is nothing more than a special bank account set up in the Federal Treasury in and out of which flow all funds related to project construction and operation. The revenues which will flow into the fund from water and power sales will be used to repay the Federal Government for a major portion

of the money advanced for the construction. These revenues will later be used to help finance future programs needed to augment the Colorado River water supply.

Project revenues are derived principally from water and power sales from projects which are authorized by this legislation, as well as from other projects after amortization. Repaying the Federal Government for water resource projects such as the central Arizona project is a long-established, time-honored procedure in the reclamation program.

As a practical matter, this bill actually creates two development funds. One fund will be used principally for assistance to the central Arizona project—including Hooker Dam and Reservoir in New Mexico—and Utah's Dixie project. Into this fund will go 23 percent of Hoover-Parker-Davis postamortization power revenues—the portion flowing from sales in Arizona—plus surplus revenues of the Pacific Northwest-Southwest intertie attributable to Arizona and Nevada.

The other fund—the remaining 77 percent of Hoover-Parker-Davis revenues—will be credited to the fund and earmarked for the long-range augmentation program. These moneys come from California-Nevada sales.

After the 50-year payout period of the central Arizona project, the two funds will then be consolidated with all revenues combining to finance whatever plan has proven feasible for the ultimate stages of augmenting the water supply of the river.

This two-fund arrangement is the result of another basic compromise between California and Arizona which has permitted this legislation to move forward.

TITLE V

The principal section of this legislation relates to the authorization of five projects in the upper basin—Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel. Since these projects will be discussed in detail by my colleagues representing the areas where the projects are to be located, I shall refrain from speaking on them—other than to say that they are necessary projects and have the complete support of my State.

TITLE VI

Title VI is the result of long and arduous negotiations between representatives of the basin States relating to many important and hotly contested issues. The negotiations were carried on by the technical staffs of the States and the Department of the Interior, and dealt with extremely complex technical and difficult matters. The final agreement establishes guidelines for water management and power generation on the river and are intended to assure equitable treatment for all seven States of the basin now and in the future.

Also included as a later compromise is section 605 which removes the stretch of the Colorado River between Hoover Dam and Glen Canyon Dam from licensing authority of the Federal Power Commission, reserving decision respecting any new power development on this stretch of the river to the Congress itself at some future time.

THE MEXICAN TREATY OBLIGATION

To win friends in Mexico in 1944, the Government of the United States gave away a large part of the Colorado River. However justified the giant giveaway may have been in terms of international relations, it created the water supply shortage that now threatens the economic life of seven American States and more than 11 million American citizens.

The treaty negotiated by the Federal Governments of Mexico and the United States, and ratified in 1945 by the U.S. Senate, skimmed 1.5 million acre-feet of water off the top of the annual flow of the Colorado River for delivery to Mexico, where no more than half that much was required at the time. Thus, at the expense of an area covering one-twelfth of the continental United States, the future expansion of irrigation in Mexico was guaranteed by the U.S. Government.

Since the Federal treaty created the water shortage in the Colorado River Basin, it is reasonable to expect the Federal Government to assume full responsibility for replacing the water it gave away. This is what is proposed by section 202 of the Colorado River Basin project bill, H.R. 3300.

Now a few of our colleagues have declared war against this provision of the bill. They express outrage against it. They have been heard to claim that it will cost taxpayers $8 billion—or is it $80 billion or $800 billion—and that Arizona and its sister States ought to pay it.

This is basic nonsense. The provision is fair and reasonable. It is based on solid precedent. In any event, it will not become effective before the latter part of this century, and when—and if—it is finally implemented by a future Congress, it will not cost any outrageous amount of money.

All we are asking now is the adoption of a simple statement of intention and good faith by this Congress that when a sound and reasonable plan is developed, the 50 States will some day help the seven States get out of the box that they put us into with the Federal treaty in 1944.

I am a little outraged myself on one point. If my colleague from Pennsylvania had not so effectively led the battle in committee against Hualpai and Marble Canyon Dams, we would have the means to pay for augmentation works through the sale of hydroelectric power without this provision which he also now does not like.

If the Colorado River were controlled by the seven States through which it flows and from which it receives its water, the case might be quite different. But the States do not control it.

The Colorado is an interstate river, an international river, and a Federal river. That is trouble, trouble, trouble. It has been anybody's river, nobody's river, and everybody's river. But through all of its trouble-ridden history Uncle Sam has insisted on his right to hold the nozzle for everybody who has a bucket to fill.

Before the turn of the century, boats carried freight from the Gulf of California up the river at least as far as Yuma, Ariz., and that, by definition of the Department of Commerce, established it as a navigable stream and, therefore, subject to Federal control.

Before the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming could negotiate a compact among themselves concerning use of water from the river, they had to be given the authority by the Congress of the United States.

When the Boulder Canyon project was authorized by the Congress in 1928, Federal control of the Colorado was even more thoroughly established. Thereafter the only way a right to divert water could be acquired in the lower basin was by means of a contract with the Secretary of the Department of the Interior.

If there was after that any doubt that the Colorado River was completely owned and controlled by the Federal Government, such doubt surely died when in 1944 the State Department negotiated a treaty with the United States of Mexico taking 1.5 million acre-feet annually of the river's flow and giving it to Mexico. The right to do just that had been reserved in the Colorado River compact, and when it was done, it was a Federal action, not an action of the seven States of the basin.

Later, in 1964, in the case of Arizona against California, the U.S. Supreme Court's final decree reserved the right of the Federal Government to deliver water from the river to federally reserved land, Indian reservations, and in satisfaction of the Mexican Treaty obligation.

No more evidence is needed to prove that the Colorado River is possessed, owned, controlled, operated by the Federal Government. It is in that light that we must examine and act upon the provisions of this bill which deal with the Mexican Water Treaty.

So far the Federal Government has exercised its right to divide and distribute the water of the river, but that is only half of the authority of ownership and control. The other half is the responsibility to deliver what has been promised.

The Mexican Water Treaty of 1944 is a promise on the part of the U.S. Federal Government to deliver a net 1.5 million acre-feet annually from the Colorado River to Mexico. Furthermore, it is a first priority draft upon a river that flows entirely in the United States for all but 75 miles of its 1,300-mile length.

It is beside the point to argue that at the time the treaty was negotiated many experts thought there was more than enough water in the Colorado to satisfy all of the allocations made to the seven American States by the Santa Fe Compact, plus the estimated 1.8 million required to deliver 1.5 million to Mexico.

This bill H.R. 3300 does not propose the use of any more water than was allocated to the American States by the Santa Fe compact of 1922. The fact that there may not be enough water in the river to supply all of those allocations is traceable to just two causes:

First. The 1.8 million acre-foot requirement to meet the obligation of the federally negotiated Treaty with Mexico; and

Second. The decreasing flow of the river due to prolonged drought.

We can ask the Lord to end the drought, but the Lord expects us to help ourselves, too, and that is what section 202 of this bill proposes in the following words:

SEC. 202. The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of ths Act and authorized by the Congress.

Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III(c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican Water Treaty together with any losses of water associated with the performance of that treaty.

Here in brief is what this provision means:

First. The Congress declares that in all good conscience and fairness the obligation to deliver the Mexican water under the 1944 treaty should be a burden of the 50 States which made the treaty, and not a burden of just the seven States from which the water was taken.

Second. The enactment of this provision is not an authorization nor an appropriation of a single Federal dollar. Except for any force it might have as a moral commitment, it would not bind a future Congress to authorize or appropriate money for water augmentation works.

Third. It simply confirms and supplements article 12(b) of the 1944 treaty which provides:

The United States, within a period of five years from the date of the entry into force of this Treaty, shall construct in its own territory and *at its expense*, the Davis storage dam and reservoir, a part of the capacity of which shall be used to make possible the regulation at the boundary of the waters to be delivered to Mexico in accordance with the provisions of Article 15 of this Treaty." (Underscoring added.)

And further, by requiring that water to serve the treaty burden shall be "the first obligation of any water augmentation project authorized by the Congress."

Fourth. It conditionally relieves the Colorado River Basin States "from all obligations which may have been imposed upon them by article III(c) of the Colorado River compact"—if in fact such an obligation did continue to exist after the negotiation and ratification of the Mexican Treaty containing article 12(b) above.

Fifth. It conditions final and complete relief upon an augmentation program having been put into operation adequate to provide for Mexico's treaty entitlement.

The provision is addressed to a long-range problem of anticipated water shortage which is at the very root of the controversy that has raged among the Colorado Basin States for many years. The augmentation will not be required all at once, but rather, in stages and in relatively small amounts beginning probably about the year 1990 when 102,000 acre-feet of "new" water may be needed to satisfy total minimum contract entitlements.

I want to emphasize again that if this bill authorized the Hualapai and Marble Canyon Dams on the main stem of the Colorado River, as was the case in previous bills, there would be very little problem with paying the cost of the augmentation of water supply made necessary by the Mexican Treaty.

In the 1966 subcommittee report on H.R. 4671, page 40, report No. 1849, the statement was made that over a period of 100 years, the sale of power generated at Hualapai and Marble Canyon Dams would put $1,996,000,000 into a development fund to help pay the cost of augmenting the water supply of the Colorado River Basin.

But neither Hualpai nor Marble Canyon Dams are proposed or authorized by H.R. 3300. We can all remember the stacks of frantic letters that came to our desks from the organized opponents of the dams. We can remember the hostile testimony by those opponents during committee hearings on H.R. 4671. We can remember the full page advertisements in the New York Times and the Washington Post raising a fearful cry of alarm at the very thought of building the dams. It was a political nightmare for many of you who otherwise wished to give us wholehearted support for the bill.

In those dams we had a traditional reclamation way of paying for the central Arizona project and of making nearly two billions of dollars available from the sale of power for eventual augmentation of the water supply. We had that way, but it was denied to us by the political pressures of opposition.

The provisions of section 202 of this bill are therefore proposed and are essential as the only available and practical alternative for those dams.

Returning now to the water treaty with Mexico, let me give you some of its background and history.

Early diversions of Colorado River water for use in Mexico were made about the same time diversions were made for Imperial Valley and others in the lower Colorado River area. Inasmuch as the Colorado is a "feast or famine" river, these uses did not reach substantial proportions until after Hoover Dam was built—resulting in the control of floods and storage of water for use during summer low periods of flow.

Following this, during World War II, water uses of Mexico and the United States from both the Colorado and the Rio Grande Rivers gradually increased. Although never officially recognized, it seems to be no secret that Senator Connally, of Texas, was the chief proponent of a new treaty with Mexico relating to these rivers. The only existing treaty related to a relatively small stretch of the Rio Grande in the El Paso-Juarez area. The proposed new treaty would relate to the remainder of the river—clear to the Gulf of Mexico— and would provide Texas with a firm right to a substantial quantity of water otherwise under dispute with Mexico. At the same time, the Mexicans were only taking about 750,000 acre-feet out of the Colorado—but wanted more for their long-range development in the Mexicali area of the Colorado River delta. So the "trade" was made by which the Mexican Government gave up a big part of its claim on the Rio Grande—in exchange for doubling Mexico's supply on the Colorado. The State of California—the largest user of Colorado River water—led the bitter fight against ratification of the treaty, but without success. The treaty became effective in November of 1945, giving Mexico first call on the river for a net of 1,500,000 acre-feet.

At the treaty hearings numerous opposition witnesses warned that a shortage situation would ultimately come to pass—as it now seems clear will be the case. The United States having made this treaty, it should now bear the burden of making good on the obligation. Mr. Northcutt Ely, counsel for the Colorado River Board of California, in his testimony before the House Committee on Interior and Insular Affairs in connection with H.R. 4671, discussed the matter this way:

As I say, in 1944, under wartime conditions, this generous treaty was made with Mexico in which we guaranteed her the availability of 1,500,000 acre-feet at the boundary in perpetuity. There were assertions then before the committee that this would in fact create bankruptcy in the water supply of the Colorado River. This was denied by the State Department. We now have, released 20 years after the event, some of the memoranda exchanged between our State Department and Mexico during the negotiations of the treaty. One of them is a communication from our Government to the Mexican Government saying that any delivery to Mexico in excess of about 1,100,000 acre-feet would automatically create a built-in shortage in the United States. Notwithstanding this, the treaty guaranteed perpetually the delivery of 1,500,000. We think that the United States having undertaken this as a national obligation for a valid international reason, should not require the farmers, the water users, the cities of the Colorado River Basin, to make good on this any more than when it gives away millions of tons of wheat from the Middle West it should expect the farmers to furnish that wheat without proper compensation.

Although shortages were certainly anticipated by many witnesses during the treaty hearings, we must assume that the Senate must have mistakenly concluded that the river would have a water supply adequate for all. Such being the case, the Nation—not the basin States—should rectify the error.

There is a whole body of precedent for Federal financial responsibility in connection with the Mexican Treaty. Construction of Davis Dam on the main stem of the Colorado and Painted Rock Dam on the Gila and Elephant Buttes Dam on the Rio Grande was paid for by the Federal Government without question in order to fulfill the promises and purposes of the treaty. When Mexico complained about the salinity of Colorado River water 3 years ago, a bypass canal was built at Federal expense to carry salty return flows around Mexico's diversion point. The treaty obligation does not demand any such action, but it was done

to accommodate an accepted moral obligation, and at Federal expense.

Furthermore, as reported on page 44 of House committee report No. 1312 on H.R. 3300, the Bureau of the Budget recognizes and supports our position in this matter in the following words:

> The Bureau [of the Budget] does recognize, however, that one of the important demands on the river is to provide water necessary to meet the commitments made by the U.S. Government to the Republic of Mexico in the Treaty of 1944. Should the Congress decide that the situation is unique, we believe that the price guarantee should be further limited to not more than 1.5 million acre-feet of water annually, the amount required to meet the U.S. treaty obligation. With this proviso, the chances would appear minimal, based on Department of the Interior estimates, that any imported water would have to carry a price higher than mainstream water—at least in the period through year 2030.

Among knowledgeable people there seems to be little if any disagreement that the Mexican Treaty is a national obligation on the Colorado River just as much as it is on the Rio Grande—and that the United States should clearly assume and acknowledge this obligation—as the language of H.R. 3300 would have it do. Secretary Udall, on being asked his opinion on the question during last year's hearings on H.R. 3300, gave this concise reply:

> This is my own personal feeling: I think most of my people feel the same way, as far as the Colorado River is concerned, that we ought to see and assume this as a paramount national obligation and that we ought to have, roughly, the same pattern on the Colorado that we have on the Rio Grande, which is the other river that this country shares with Mexico.

Not only is such an assumption fair and proper—it is the key to the political problem of "compromising" the difficult issues between California and Arizona with reference to California's claim for a priority in times of shortage. Unless the Mexican Treaty is assumed as a national obligation all coming shortages in the river fall on the central Arizona project alone. With the hydroelectric dams having been deleted from the bill there is no practical, economical, or political way for Arizona, as an inland State, to provide this badly needed water for all others in times of river shortage.

The United States itself—not the basin States—made the treaty with Mexico. The United States alone agreed to construct and operate Davis Dam and other facilities "at its expense" to fulfill the Mexican Treaty burden. If at some future date it can only fulfill its treaty commitment by curtailing deliveries of Colorado River water already allocated to California, Arizona, and Nevada by the Boulder Canyon Project Act, then in all honesty and good conscience it alone should be responsible for augmenting the water supply of the river to this extent.

In any event, there is nothing unprecedented, outrageous, or unusual about the Federal Government paying for flood control, water, or other resource development projects, even though the main benefit goes to a single State or region. Indeed, the basic pattern of harbor, flood control, river channeling, navigation improvements—particularly where several States, or an entire river basin is involved—is for Federal financing on a nonreimbursable basis.

The fact that we have two different standards and approaches in this country toward financing Federal water projects is often overlooked. In all States but the Western reclamation States the Federal Government, largely through the Corps of Engineers, has provided tens of billions of dollars for harbors, navigation, flood control, and other works and facilities usually without any repayment by the local beneficiaries. Few complaints are heard when the Federal Treasury picks up the check for the St. Lawrence Seaway, Tocks Island Dam and Reservoir, the Intercoastal Waterway, and many similar projects.

In the West, however, the pattern is entirely different. Few water projects have ever been built in the Western States without strict provisions for user repayment of the costs with interest. Thus central Arizona project water users will repay some 90 percent of the costs of our project, most of it with interest.

In the light of the above discussion, I believe Arizona and the Colorado River States can ask the National Government fairly—in this unusual situation which the National Government brought about—to make an expression of good faith, a tentative, moral commitment to pay for the works necessary to enable the Colorado River Basin States to carry out a burdensome foreign treaty they did not make.

CONCLUSION

Mr. Chairman, this has not been easy legislation to put together. In fact, with the diverse interests of the seven Colorado Basin States and their respective water agencies, the States of the Pacific Northwest, the recreation-conservation groups, the private and public power interests, the coal industry, the affected Indian tribes, the Mexican Treaty problem, and many others, this bill has become one of the most complex reclamation bills ever considered by this body. But with its complexities, its compromises and its long look into the future of the Southwest, it is a bill which will—after 50 years of battle—finally bring peace to the Colorado River Basin and its people.

Every provision, every section, is important to final passage of the bill. I urge each of you to accept the bill as a "package"—as a complete foundation upon which to solve the water supply problems of the great Pacific Southwest area of our country. Never was more time, more thought and more serious consideration given to a great regional problem by any committee of the Congress. Changes and amendments at this time could be fatal to the entire effort. I respectfully request that each of you accept the committee's recommendations without any amendment.

I know of no one who opposes the central Arizona project. The gentleman from Pennsylvania says he is for it. My good friends from the Northwest tell us they are for the central Arizona project.

The opposition is centered on some of the peripheral things, on some of the additional things, which, as the gentleman from California [Mr. HOSMER] pointed out, have helped to solidify the seven States and to compromise the differences which have divided us.

I should like to spend about 10 minutes on one of those controversial things, a matter which has resulted in a flood of letters to your offices.

The gentleman from Pennsylvania and others have been making war on this Mexican Treaty provision. They are outraged by it. They tell us it will cost $6 billion or $8 billion. I saw "$19 billion" in a letter today. By tomorrow morning I expect it will be $190 billion, and we will be bringing the water from Jupiter by space ship.

They say that we are saddling the taxpayers with a blankcheck, with an obligation no one can really determine, and that this outrageous thing will fall upon the taxpayers of New York and of Michigan and of other States.

The gentleman from Pennsylvania said in his remarks that we have no idea what this provision will cost. I will tell the Members exactly what it will cost. I hope someone will get out a pencil and write it down. I want to tell precisely what the Mexican Treaty provision in this bill will cost.

It will cost nothing. This provision does not authorize a dollar. It does not appropriate a dollar. It does not promise to authorize or to appropriate a dollar. It is merely a statement of good faith and of good intention by the people of this country to someday, perhaps, help out the Southwest States with a very serious problem.

What they have been saying about this provision is really nonsense.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Colorado.

Mr. ASPINALL. And that is only after the study shows feasibility.

Mr. UDALL. Precisely.

If there is any doubt on that, send to the back of the room and get a copy of the bill or of the committee report. It is section 202 of the bill, on page 52.

This provision is not complicated. It is not outrageous. It is not unfair. It has precedent for it. It is based on sound reason. It will not become operative until at least a large number of years have passed and studies have been made, as the gentleman from Colorado suggests.

All we ask now and all this provision contains is a kind of tentative moral commitment and statement of good intention by the Congress toward the people of our seven States. It is a simple little "sense of Congress" thing that has caused a great deal of comment around here, and I believe a great deal of unfair and distorted comment.

Now, the single most important fact about the Southwest is that we are short of water. This Colorado River area is short of water. Let us get plainly clear here that we are short of water, in part, because twice—twice now—the Federal Government, for reasons which probably made sense to the people of this Nation and probably made sense in terms of national policy, has imposed upon our States, and particularly upon my State.

First in 1944, in a wartime situation, in order to settle a whole host of problems with Mexico involving the Rio Grande and the Colorado, in a situation when we were about to go to the United Nations, when we were fearful of arbitration or a suit in the World Court by Mexico, the United States of America gave away our water we did not have to give. It was done in good faith and sincerely and with good intentions, but the financial burden of this falls upon seven States, just as if it had been done vindictively.

As the gentleman from California [Mr. HOSMER] pointed out, when we make a treaty, a NATO Treaty, for example, its cost does not fall on Pennsylvania or New York. The cost of such a Federal treaty falls upon the 50 States.

So all we are asking here is that Uncle Sam, through the Congress, will consider these things and say to the seven States, that some day down the road, if your States will come up with a reasonably designed plan which does not cost too much money and, if you will let us take a look at it before any final commitment, we in the Congress will be inclined to look at it with favor. That is all it says.

The second thing done by the Federal Government is just as damaging. Some of you who have been complaining about this bill will remember some of this. In the year 1919 Congress decided that we ought to have a Grand Canyon National Park. Senator HAYDEN, who was then in the House, said: All right, let us have one, but let us not forget one of the best damsites in the whole Western United States, which is in the bottom of that canyon. The United States of America, acting through the Congress, wrote into that law a provision saying to the seven States and to Arizona that, when you need that damsite, it will be available. The creation of the park will not prevent the construction of the dam.

We came in a couple of years ago and said: All right, we are ready to go ahead with water development in this area. We want a couple of dams in the Colorado River as the Government said we could have. Well, a great storm of controversy arose. You remember the full-page ads, the letters, and the books that were put out. We had all of this great controversy about it. One of the things they said was that these were just "cash registers," they are just money raisers to help you build water facilities in your State. Indeed, they were just cash registers. The truth is that Hualapai Dam would have provided excess revenues of $2 billion to help us replace water given away to Mexico in 1944. When we came to the Congress, we fought that fight, and apparently it was the will of the majority of the Congress that these dams not be built, and they are not in this bill. We have done what the Sierra Club and other conservation groups said for us to do, that is, take out these dams. They said that the people of the country would help us. During that debate people were testifying that, if it were just money that Arizona wanted, then let us give them the money. However, for reasons that the people of the United States have considered adequate, we have had taken away from us, for the time being at least, this right to build a $2 billion asset. The Government has reneged on a promise to our State and the States of the region.

So I say once again that the United States of America, for reasons which were considered adequate, has imposed this upon our State.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASPINALL. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. UDALL. Mr. Chairman, we accept these decisions. The treaty is done. This is an obligation of the Nation which will be a first mortgage on the river. We bear the consequences and accept them. We accept the decision, at least for now, that there will not be any dams built in the Grand Canyon. We are willing to do that, and our project in Arizona will pay back 90 percent of its cost with interest into the Federal Treasury. We point out to our sister States and to the people of this country and to the Members of the Congress who represent them that you have done these two things to us, but here is what we would like you to do for us. We are going to have a 5-year study made to see how to augment that river. This is in title II of the bill. This is what they are complaining about here. At the end of that 5-year period we will have an augmentation plan based on the Secretary of the Interior taking a full look at all of the possibilities. He will then come in here with a plan as to how to augment the river. This might be composed of various things such as weather modification, channeling, water recovery programs, desalting, or imports.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Colorado.

Mr. ASPINALL. This is limited to the amount of 2.5 million acre-feet, which makes it a very small project as far as any such program is concerned. Is that right?

Mr. UDALL. That is right. The testimony before our committee was that of all the alternatives, from what we now know, importing water from the Columbia River is the most expensive and the most unlikely. It would cost 120 times as much to do it this way as by weather modification, if we could prove it out. We do not have the answers yet, which is why we need this study. It would cost something like five times as much or $30 versus $150 to provide this water, from what we now know, by desalinization. So Columbia River export is one of the most unlikely of all of the possibilities. But we want to, and think we are entitled to look at all the possibilities before a decision is made.

Now, we are saying to the country, in the 1970's we will come in with a plan and present it to Congress and at that time give you the details thereof. We will then have a price tag on it. At that time we want to be able to point out the fact that back in 1968 the House of Representatives said that having taken away our dams and our water, we would feel inclined to give you a hand to pay for this kind of a reasonable program.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Colorado.

Mr. ASPINALL. Does not this also go to the point that when the upper basin begins to use its entitlement in the Colorado River compact area, you do not then wish to be placed in the position that the facilities for the central Arizona Valley project could no longer be operated satisfactorily.

Mr. UDALL. Precisely.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Iowa.

Mr. GROSS. According to the gentleman, the Federal Government seems to have done nothing really worthwhile and it has been niggardly with the State of Arizona. I hope the gentleman from Arizona [Mr. UDALL] does appreciate the help and assistance which was provided to his State during last winter's blizzard when the Air Force fed and kept alive thousands of head of livestock.

Mr. UDALL. I extend our heartfelt thanks to a generous Federal Government which helped feed our livestock during the period of that snowstorm.

Now, Mr. Chairman, let me sum it up, if I may, with an analogy. A father has seven sons and he has a big estate and all of it is not being farmed. He plans someday to carve out smaller separate farms for each of the sons. He has a river running through it and thinks he has more than enough water for eventual development of all the land, and he makes available, some of it, to a neighbor, on a permanent basis. Time passes and the sons grow up and the father finds that he does not have sufficient water for the operations of his sons. He says to them, "I am not going to sign a blank check, but I think I ought to help you." I ask you to go out and obtain plans to get the water which you need. You check with the water engineers, you get a well driller and you get an engineer and find some water resource nearby and get some bids on wells and canals necessary to bring it in here. Then come back to me with some sound cost figures. If that is done it is my intention as your father to help. If the cost is reasonable and my financial positions permits, I'll be inclined to help my sons, since I helped my neighbor at your expense. In terms of an analogy our States in this bill with respect to this Mexican treaty are about in the same position as the seven sons.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Are you the same MORRIS K. UDALL who delivered a speech at the Biltmore Hotel in Los Angeles on Tuesday, Dec. 19, 1967?

Mr. UDALL. I am the same individual who delivered that heroic and noble speech; yes. Will the gentleman agree that that was one of the finest orations of modern times?

Mr. SAYLOR. If the gentleman will yield further, I would not go quite that far. But, it is my opinion that the Members of the House should know what the

gentleman said on that occasion because in my opinion it has a great deal to do with this treaty, and this is what you said:

In our bill last year we had a little feature that went almost completely unnoticed, and there was little controversy about it. That feature provided that the federal government would assume the Mexican Treaty burden, picking up the tab for the first 2.5 million acre feet of augmentation of the river. That little item, all by itself, could mean perhaps about $2.5 billion to the states of the Colorado River Basin, the equivalent of about two Hualapai Dams. I think such a transfer of that burden is still possible and ought to be getting our maximum attention and effort. I think that what we can do for ourselves in this area is a lot more important than grousing about the loss of those two dams.

Those were your figures, were they not?

Mr. UDALL. The gentleman from Pennsylvania read a part of my speech with reference to the cost figures. In the quote he read I said, "could mean, perhaps, about $2.5 billion." I went on to say that we did not have definite figures; that we needed to make a study. Those figures you quote were based on a rule of thumb figure given in testimony before the committee. The estimated figure was $1 million for every 1,000 acre-feet. That is the only kind of figure we will have now. On further, refined study, the cost may be less or it may be more. This is why we need this study, because we want the distinguished gentleman from Pennsylvania on our side and want to give to him pretty solid information on this project.

Mr. Chairman, before my time runs out, permit me to make two other points.

This outrageous provision they are talking about, this raid on the Treasury, has survived the scrutiny of the Budget Bureau. The Budget Bureau is not noted for approving wild-eyed, blankcheck, open-ended spending schemes, and the Budget Bureau in the report on this bill said they did not oppose it if the Congress found it was an appropriate provision.

Finally let me make this last point——

Mr. FOLEY. Mr. Chairman, will the gentleman yield at that point?

Mr. UDALL. My time is running out, but I will yield briefly to the gentleman from Washington.

Mr. FOLEY. Is it not true that the Budget Bureau specified that it was a matter for Congress to determine; that they were not urging the Congress to undertake this. They only said they had no objection as long as the undertaking was considered "unique" by Congress and did not exceed 1.5 million acre-feet; is that correct?

Mr. UDALL. I do not have the report in front of me. I know the Budget Bureau said it was a matter for the Congress, and if Congress wanted to do this they would not choose to stop it.

Mr. FOLEY. If the gentleman will yield further, is it not also true that the Justice Department in its report on the bill in 1966 opposed the assumption of the Mexican Water Treaty burden, and that nothing has happened to indicate a change of opinion by the Department of Justice?

Mr. UDALL. The official position of the administration is through the Budget Bureau, and the Budget Bureau in the hearings, and in the report, did not object.

Mr. Chairman, I want to make one more point before my time runs out.

The irony about the consideration on the Mexican Water Treaty is that we are saying that the Nation is asked to give us an expression of good faith, to say that someday maybe it will help assume this as a national obligation in the light of what was done to the seven States.

Certainly in every other section of the Nation, when we dam the Mississippi River, establish flood controls on the Ohio River, fix the harbor at Philadelphia, build the St. Lawrence Seaway, and build the Intercoastal Shipping Channel, in each and every one of those cases the Federal Government picks up the tab as a national obligation. The States are not required to pay that back, as has been done traditionally in the West.

Now in this one case, based on these two peculiar events, two peculiar occurrences, where our States ask the Federal Government to help them assume this one problem as a national obligation, then there are great cries of outrage, and these have included cries of outrage from the Pacific Northwest which has had hundreds of millions of dollars assumed as a national obligation to help in the resource development of that great area.

So, Mr. Chairman, I suggest in closing that this provision which has been so distorted around here in the last few days is a sound, sensible, just, fair provision; it does not cost anything, it does not authorize any money, it does not promise the authorization of any money, but it is a tentative statement of good faith. It ought to be approved by this House in this debate.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Colorado.

Mr. ASPINALL. Mr. Chairman, I thank the gentleman for yielding.

Just so that we all understand what the Budget Bureau had to say, here is the report—and I want to read it to the Members:

The Bureau does recognize, however, that one of the important demands on the river is to provide water necessary to meet commitments made by the U.S. Government to the Republic of Mexico in the treaty of 1944. Should the Congress decide that the situation is unique, we believe that the price guarantee should be further limited to not more than 1.5 million acre-feet of water annually, the amount required to meet the U.S. treaty obligation. With this proviso, the chances would appear minimal, based on Department of the Interior estimates, that any imported water would have to carry a price higher than main stream water—at least in the period through year 2030.

Is there any provision in this bill, I ask the gentleman from Arizona [Mr. UDALL], that the U.S. Government will be required to put up any funds later on, in accordance with the feasibility study, for more than the 1.5 million acre-feet of water annually, taking into consideration the losses which might be chargeable?

Mr. UDALL. No, indeed; the gentleman has stated the situation correctly.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. REINECKE].

Mr. REINECKE. Mr. Chairman, I thank the Congressman from Pennsylvania.

Mr. Chairman, I am here today in a little different role than I would have been last year or the year before, because I was violently opposed to this legislation for the past 2 or 3 years, and worked very diligently to eliminate all dams that were proposed to be constructed in the Grand Canyon.

I also have sponsored some significant changes which have been made in this legislation in the last 2 or 3 years, and I am happy and pleased to be able to stand here along with the rest of my colleagues from California, and the Pacific Southwest, to support this with a great deal of enthusiasm, and feel that what we are doing here is correct, reasonable, and feasible.

Specifically, I would like to talk about the proposed investigation. I want to get at what is really involved in such an investigation. We are doing it every day in almost every conceivable area of our Government that we have today. We are investigating water. We are investigating air pollution. We are investigating water pollution. We are investigating mass transit problems and everything we do today—sometimes we say we are studying the problems to death—and occasionally I think we do.

Nonetheless we cannot proceed in a reasoned and responsible manner unless we know and have the facts before us so we can come to a reasonable conclusion.

The studies we are talking about are not specifically directed to importation, as I believe you have been led to believe. The studies we are talking about here is what are we going to do about the problem of water in the Southwest.

There are several sources of water that will be investigated very thoroughly before we ever come to the position of suggesting that we are going to propose importation. I know for a fact, because I made a study myself, that importation is the most costly method that will come about and I seriously doubt we will ever have a feasible project by importation from the Northwest.

What we have to do is to start by reviewing our needs and what will our needs be by the year 2000 or 2030, taking into consideration the increased per capita use of water and the increased industrial activity in the Southwest and the increase in population. We simply make the projection as to what our needs and requirements are going to be. Then we look at our resources and find out what our resources are and what the projection is to be and what we can do about conserving some of our resources that are already developed.

Finally, we arrive at a conclusion, be it a deficit or a surplus—that is what we must deal with. That is the first step.

The second step is to find out what we can do about solving the problem. We know, indeed, it affects our area and we have known it long. We must face the problem. The fact that it is regional does not make it any the less a Federal obligation because of that regional aspect.

Certainly, we must legislate and deal with it here. Simply because it affects one region far greater than another region, I do not think we can put it aside.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman.

Mr. FOLEY. Is it not true that there has never been any objection in the committee in any of the previous considerations of this bill to the investigation and the studies that would be directed to meeting the water needs of the Southwest specifically those reconnaissance studies that are contained in section 201(a)2 of the bill.

Mr. REINECKE. I am sorry I did not hear the gentleman; would he repeat his question?

Mr. FOLEY. I refer to the reconnaissance studies authorized in this legislation. There has never been any objection to these studies; is that correct?

Mr. REINECKE. Yes, it is.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman.

Mr. ASPINALL. Is it not true, may I ask the gentleman from Washington [Mr. FOLEY] that you offered an amendment in committee to strike all of section 2? I think that shows there was objection.

Mr. FOLEY. I think the record will also show, if the gentleman will yield further, that there is no need, and I think the chairman will verify this, that there is no need for an authorization for reconnaissance studies and the Secretary of the Interior presently has authority to conduct any reconnaissance studies, and conduct them subject only to appropriations; is that not correct?

Mr. REINECKE. The Secretary has authority to conduct reconnaissance studies but in this case he had to go further because it is a regional matter and because there are secondary problems involved.

One of the principal sources I think that we will look to for new water is not importation, as the Northwest seems to think, but is weather modification. This is where the most dramatic changes have been made. It is indicated that upwards of a 20-percent increase in precipitation has been effected on the west side of the Continental Divide.

This is the place we can do it, because there is no construction to be accomplished other than the necessary seeding or the necessary nucleation of the clouds in the air. This, to me, is one of the most reasonable, one of the most practical, and one of the most probable methods.

Second is the area of desalting. We all thought that desalting was going to develop economically until a few weeks ago when we were advised of new figures on the Bolsa Island plant. Now we are a little disillusioned. Nevertheless, this is another method that will be given serious consideration. Some States have already been making studies in that regard.

Another area—just to prove that this is not the case of the basin trying to raid the water of another basin—we have a reconnaissance study going forward at the present time in respect to bringing some water from northern California down to southern California as a means of solving this problem. We are not just looking to the Northwest. We are not taking a dog-in-the-manger attitude, that that is the only place we can go for water. But I think it is reasonable for all of us to assume that we must look at all possible sources in order properly to effect a solution of this problem.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman from California.

Mr. HOSMER. Is not the State of California satisfied with the provisions for protecting the origin if that origin happens to be California itself?

Mr. REINECKE. Yes. In fact, I was just about to come to the protection that is offered to areas of origin. Some people believe we are trying to take what is their water. That is not the case. The bill specifically includes a provision whereby the Secretary of the Interior could not recommend an importation program unless he has the approval of the States to be affected. In other words, the Governors of those States would have a veto power over any such recommendation.

Likewise, no State affected would be affected adversely from a price point of view because, again written in the bill, is a provision which would guarantee the States of origin a firm, fixed price equal to or less than what they are paying at the present time. So even if it is necessary to get water from some other area, the area of origin would not be affected adversely on the price of water.

Likewise, they are given rights in perpetuity to their title of the water and the provision I just mentioned will last for that length of time.

Finally, before water can be taken away, the Interior Department would have to make a survey in those areas to be sure that there is a surplus amount of water.

A few years ago, when the Northwest was fighting this particular proposal, they were saying, "We want a study of our own." In years gone by they have studied the problem, and by 1971 those studies will be completed. The reconnaissance study called for in this bill is not due until 1973. So there is an overlapping of 2 years. Finally, the feasibility study which the gentleman from Washington refers to is not due until 2 years after that, 1975, so it is obvious that the States of origin in the Northwest that are opposing this particular measure will have had 4 full years to decide what they want to do, to decide what their position is with respect to their surpluses of water before they have to come to a decision.

I might also say that the Columbia River, which is the river to which they are referring, has traditionally emptied on the order of 100 million acre-feet of water into the Pacific Ocean every year for as long as we have figures available. Many years it has gone over, some years it has gone under. But 100 million acre-feet a year is a pretty good average. We are looking for only 2½ million acre-feet.

I wish also to point out that while our friends in the Northwest sell their power to the Southwest and take the proceeds from that sale, for some reason they do not want to sell the water, which creates that power, to the Southwest at this time.

I wish to make a few comments about the thermo plant that is to be constructed in northern Arizona, according to the direction in the bill. As you probably realize, the dams in the Grand Canyon were placed there for the purpose of generating pumping power to pump the water from the river to the Phoenix and Tucson areas. Likewise, we still need the power because we are still pumping a large amount of water.

Now, instead of putting hydroelectric dams in the Grand Canyon, we are proposing a thermo plant, I am happy to say, which would burn coal—I point that out to the gentleman from Pennsylvania again—and this in turn, I think, will produce a very effective low-cost baseload powerplant.

Very simply, then, I will briefly restate the matter. This powerplant that is being proposed would not be built, owned, or operated by Federal entities. They are all non-Federal, private, public utilities, and there would be no Federal involvement in this other than the fact that there is a prepayment of power purchased for pumping.

This prepayment amounts to a loan, which will be paid back 100 percent, including interest at the going rate of, I believe, 3¼ percent at the present time.

The capacity is 470 megawatts of power that are required, and if private facilities who decide to go ahead with this plant want to build it larger, they can, and that power is for them to use in any way they want to.

Again I indicate, all that money is being returned to the Treasury of the United States. This is a loan and prepayment of capacity which will be taken out later. The water for this plant does not represent any new withdrawal, any new claims on this river. This is part of Arizona's entitlement and will be charged to Arizona.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, last year, when we considered this last, or another version of this bill, it contained a feasibility plan for 8 million acre-feet. Is that correct?

Mr. REINECKE. It was 8½ million acre-feet, I believe.

Mr. FOLEY. Did not the gentleman in the well, a mechanical engineer, calculate for the benefit of the Interior Committee how much it would cost to divert that amount of water from below Bonneville Dam in the McNary pool.

Mr. REINECKE. That is correct.

Mr. FOLEY. Would the gentleman mind telling this Committee how much he calculated?

Mr. REINECKE. Not at all. It was 7.48 billion.

Mr. FOLEY. Did the gentleman calculate the amount of power that would be required to make, as I believe it was, a dead lift of 7,000 feet?

Mr. REINECKE. The lift was about 7,000 feet. I do not recall what the amount of the power requirement was. It was very substantial. I opposed the bill.

Mr. FOLEY. Was it something like three times the output of the Grand Coulee Dam?

Mr. REINECKE. Something on that order; yes.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, is it the purpose of the studies contemplated by the bill to clear away this fuzz of hazy estimates, which I am sure the gentleman himself realizes had to be made, and to come up with something that has a price tag on it and specifications on it that are meaningful to the Congress who will be looking at it rationally, instead of hollering about speculative sums of money that are totally meaningless? As I said before, such talk is calculated only for the purpose of frightening people.

Mr. REINECKE. It was about 8½ million acre-feet, and it is down to 2½ million acre-feet in this bill. It is no longer a feasibility study, but is a reconnaissance; but there is to be a follow-on study, so we can contemplate the project at some future time.

Mr. PETTIS. Mr. Chairman, will the gentleman yield?

Mr. REINECKE. I yield to the gentleman from California.

Mr. PETTIS. Mr. Chairman, California's stake in the Colorado River depends on passage of H.R. 3300. This is a "peace" bill and if it does not become law, the past history of Colorado River conflict and litigation will not only continue but probably intensify. This is a harsh fact of life in California's 33d Congressional District. San Bernardino County borders the Colorado River for many miles and the thousands of people who live in this part of California and who depend on that river for their water supplies see in this legislation the long-sought solution of the seemingly endless bickering.

The present and anticipated water supply situation in the Colorado River Basin shows that a water deficiency already exists in the lower basin of the Colorado River and that, as this imbalance between requirements and availability continues to grow, the water situation throughout the entire basin will become more critical. There is no reasonable chance that the Colorado River will supply enough water to meet the demands of the area which relies upon it. The water supply situation, combined with the fact that there is insufficient water in the Colorado River to furnish the amounts specified in compacts, contracts, the Mexican Water Treaty, and the Supreme Court decree in Arizona against California, means continued controversy unless there is augmentation of the water supplies available from the river. There can be no lasting solution to the water problems and disputes of the States of the Colorado River Basin without the addition of more water.

How the river should be augmented cannot be answered with confidence until the studies of all alternatives called for in the legislation have been completed. Experience has shown that 15 to 25 years are required to plan, authorize, design, and construct a major water project. Hence, studies of alternative means of augmenting the Colorado River should be initiated immediately if the future growth and economy of the Colorado River Basin and the Pacific Southwest is to be assured and decisions concerning augmentation are to be made with full knowledge of all alternatives. Considering the potential leadtime needed to develop some of the alternatives, deferral of the studies could result in decisions under accelerated conditions rather than on the basis of orderly procedures. All of the studies and investigations taken together are directed toward development of a regional water plan to serve as the framework for coordinated, future development throughout the entire Colorado River Basin.

The most pressing need is for an amount of new water necessary in order to satisfy the Mexican treaty water requirements and the annual consumptive use of 7.5 million acre-feet in the States of Arizona, California, and Nevada. This amount has been estimated by water experts to be between 2 and 2.5 million acre-feet.

It is this pressing need which is the basis for the provision in this legislation calling for preparation of a feasibility report on the most economic means of augmenting the water supply of the Colorado River.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Florida [Mr. HALEY].

Mr. HALEY. Mr. Chairman, one of my first observations, when this matter was under consideration in the Committee on the Interior, was that I just came over here to find out who was stealing from whom. I thought at that time probably each one of the two basins was stealing from the other, but I sadly came to the conclusion that what this bill will do will be to steal from all the people of the United States.

This river is overcommitted, and it was well known that it was overcommitted many, many years ago. They talk about 2½ million acre-feet. This river is overcommitted 3½ million acre-feet right now. I can tell why. It is because the upper basin is entitled to 7½ million acre-feet, and the lower basin is entitled to 7½ million acre-feet, and the Mexican Treaty, which takes precedence—first place—over both these basins is for 1½ million acre-feet. That is 16½ million acre-feet.

The only records—and I think the best records we have—as to the flow of the river are in the table which appears on page 697 of the hearings, and here are the figures. From 1931 to 1967 the average flow of the river was 12,990 million acre-feet of water.

So I say, Mr. Chairman, that the Mexican Water Treaty is an obligation of the river and not of the people generally throughout the United States. The Secretary of the Interior, in response to a question, said "Yes," that was a prior right.

As I say, who is stealing from whom? I do not know where you are going to get this amount of water. You need 3½ million acre-feet. If you are going to get water from some other place, you might as well get sufficient. I would say probably 8½ million acre-feet is what is eventually going to be required for economic growth, if it continues in the Southwestern part of the United States.

So let us not figure here on getting just a little bit of water. It is going to cost a lot of money. There is only one place that amount of water is available, and that is from the Columbia River.

What will be the cost? Who knows? If we try to bring that water into this basin, it is going to cost billions and billions of dollars.

We have been talking about the commitments and the authorizations we have now, and trying to reduce them, to get this Nation back to some fiscal sanity, since we have been running just as wild as we could for the past 20 or 25 years.

How can Members go back to their people and say, "Yes, we gave them a blank check here. We do not know what it is going to cost. We know it is going to be a terrific cost to bring about what is necessary to alleviate the arid, dry conditions that are in that part of the country."

Mr. Chairman, my good friend from Pennsylvania, next to the chairman, probably, or perhaps equally with him, is one of the most knowledgeable men in the Congress on water resources, I say, along with him, the best thing to do, first, if we are not going to do anything else, is to eliminate this obligation of all the people of the United States to take care of the so-called Mexican treaty.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. SAYLOR. Mr. Chairman, I yield the gentleman 2 additional minutes.

Will the gentleman yield to me?

Mr. HALEY. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Chairman, I want to commend our colleague from Florida for his statement and thank him for the kind remarks he just made. I ask him if he recalls that during the 89th Congress, when a similar bill was being discussed, the committee included at that time the Southwestern part of the United States, and we had in that bill, if my memory serves me correctly, 7½ million acre-feet for Texas and 7½ million acre-feet for Kansas.

One of the true improvements in the legislation this year has been the exclusion of the State of Texas from the investigation and study provisions. Despite the efforts of our colleague, the gentleman from Texas [Mr. PRICE], to include the State of Texas, in the legislation again this year. I commend our colleague for his knowledge and understanding on this problem. In turn, I want to assure Mr. PRICE of my understanding of the problems of west Texas and offer him my

cooperation in his future efforts to alleviate the water shortage in his area.

Mr. HALEY. The gentleman is absolutely correct.

Getting back to the Mexican treaty for just a minute, that treaty calls for water out of this basin, not out of the Missouri and not out of the Mississippi and not out of any other river. It is an obligation of the river and should be supplied from there.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HALEY. I yield to the gentleman from California.

Mr. HOSMER. I realize that the gentleman is concerned about the cost which might be incurred for the import work, but will the gentleman not agree with me that the works are no part of this bill? The only thing this bill does is to invite some studies so that we can find out what kind of a problem we do indeed have.

Mr. HALEY. I will say this to the gentleman: You know what your problem is. The State of California at this moment is using 5.1 million acre-feet of water and is entitled under the compact to 4.4 million acre-feet of water.

Someone said—and I forget just who—a little while ago, "Oh, yes. We will turn that water back when it's needed." I cannot visualize California returning 1 gallon of water. You will need more water. So whenever you come here and say, "We will take care of that shortage when it comes along," I do not believe you will do it.

Mr. HOSMER. If that were true, California would be against building the central Arizona project. We lose by it over 700,000 acre-feet of water annually, yet we are strongly supporting the bill. We feel we have to live and let live in our area.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Oregon [Mr. WYATT].

Mr. WYATT. Mr. Chairman, the bill we are debating today is merely an authorization bill, but it is so complex, so involved that each Member should pause and make absolutely certain he knows exactly what is contained in the bill.

We in the Northwest have repeatedly expressed our support for the central Arizona project. We support the five reclamation projects in Colorado. We cannot, however, support title II of the present bill, nor can we support the bill if title II remains in the bill.

This bill contains far more than the central Arizona project. Besides authorizing approximately $1.3 billion of new construction, the title II provisions authorize the first steps toward a gigantic interbasin transfer which could cost billions and billions of dollars. Most important of all is that the so-called Mexican Water Treaty obligation would be made a national obligation. This is the cash register for interbasin transfer, all at the Federal taxpayers' expense, rather than that of the water user.

The fallacy in making the Mexican Water Treaty a national obligation is that the Republic of Mexico, as a lower river water user, always has had certain vested rights to Colorado River water, which could not be cut off by upriver users. It is very clear from the testimony of State Department personnel witnesses who participated in the negotiation of the Mexican Water Treaty, that all Mexico received in the treaty was confirmation and ratification of the amount of water to which she was already legally entitled. This being the case, it is impossible to justify the theory that all the taxpayers in the United States should share in replacing this water going to Mexico.

If this theory is consistently applied in other areas of national concern, this country would be soon bankrupt.

All of title II should be stricken from the bill, especially that portion attempting to load onto Federal taxpayers the huge costs of replacing the Mexican Water Treaty obligations.

Title II is not contained in the Senate version of this bill, and is a costly add-on to the $1.3 billion specifically authorized. The additions could easily total many billions of dollars.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Utah [Mr. BURTON].

Mr. BURTON of Utah. Mr. Chairman, I know one of the things that bothers some of our friends here in the Chamber is the fact that this is an authorization bill authorizing nearly $1.3 billion. However, I need not explain to our friends here the difference between an authorization bill and an appropriation bill. Following the remarks of my good friend from Florida [Mr. HALEY], I think he and others would be interested to know that previous Congresses have indicated even during unhappy times, times of deficit, war, and misfortune, and in the direst of straits, they have indicated a confidence in planning for the future and that happy times would return and we could get on with the business of building our Nation. I have a list of projects authorized for and by the Bureau of Reclamation during the period of the Korean war, beginning in 1951 and ending in 1953. That list is as follows:

ANNUAL AUTHORIZATIONS FOR RECLAMATION PROJECT CONSTRUCTION DURING KOREAN CONFLICT—FISCAL YEARS 1951–53—PROJECT AND STATE

1951

Canadian River: Texas.
Central Valley, Sacramento Canals: California.
Eklutna: Alaska.
Kendrick, Alcova Powerplant: Wyoming.
Minidoka: American Falls Power Division: Idaho; North Side Pumping Division: Idaho.
Palisades (reauthorized): Idaho.
Vermejo: New Mexico.

1952

Provo River, Deer Creek powerplant: Utah.

1953

Central Valley, Trinity River Division: California.
Central Valley, Sacramento Canals (Pursuant to Act of Sept. 26, 1950): California.
Collbran: Colorado.
Grants Pass, Savage Rapids Dam: Oregon.
Provo River, Deer Creek powerplant: Utah.

During World War II, from 1942 until 1945, these were the projects that were authorized for the Bureau of Reclamation:

1942

Mann Creek, WCU (not built): Idaho.
Palisades (reauthorized, 1951): Idaho.
Palisades (reauthorized, 1951): Idaho.
Rapid Valley, Deerfield Dam, WCU: South Dakota.

1943

Buford-Trenton, enlargement, WCU: North Dakota.
Columbia Basin—Project Act: Washington.
Scofield, WCU: Utah.

1944

Balmorhea, WCU: Texas.
Bitterroot Valley, Woodside Unit, WCU, (not built): Montana.
Buffalo Rapids, 2d Div., WCU complete: Montana.
Colorado River Front Work, Palo Verde weir: California.
Hungary Horse: Montana.
Milk River, Dodson Pumping, WCU: Montana.
Missoula Valley, WCU: Montana.
Newton, WCU (completion): Utah.
Rapid Valley, Deerfield Unit, WCU (completion): South Dakota.
Rathdrum Prairie, Post Falls, WCU: Idaho.

1945

Mancos, Expansion, WCU: Colorado.
Mirage Flats, UCU (completion): Nebraska.
Rathdrum Prairie, Post Falls, WCU (USDA): Idaho.
Shoshone, Heart Mountain Powerplant: Wyoming.

You will note that all of these projects that I listed cover the Western Reclamation States, but the West was not the only beneficiary of projects and authorizations during periods of war. Our sister States in the East benefited under flood control projects that were authorized in World War II. For example, an authorization in 1942 which became Public Law 77–228 authorized 60 projects by the Corps of Engineers at a cost of $275 million in 26 States ranging from Florida to Washington State.

Mr. Chairman, in 1945, the chairman of the full Committee on Interior and Insular Affairs [Mr. ASPINALL] alluded briefly to the fact that the Congress, in its wisdom, enacted a public law authorizing 48 projects, costing $993 million in 30 States, ranging from Arizona to Pennsylvania, as well as in the same year authorized 293 navigational and flood control projects in 32 States and three Territories, ranging from Puerto Rico to Hawaii.

Now, Mr. Chairman, I would like to say that I agree with the remarks which were made by the gentleman from California [Mr. HOSMER] when he alluded to the fact that this was not a big boondoggle; as a matter of fact it is a very delicate, fragile compromise that has been worked out over a long period of years between the seven States involved. These seven States represent about one-fourth of the total land area of the United States; they have congressional delegations, as follows: One from Wyoming, there are 38 from California, there are three from Arizona, there are two from Utah, two from New Mexico, four from Colorado, and one from Nevada.

Mr. Chairman, this represents a total of 51 Members of the House of Representatives. To my personal knowledge 50 of these 51 Representatives of these seven States are in agreement with this project.

Mr. Chairman, I say to the members of the Committee of the Whole House on the State of the Union, that when you can get 50 out of 51 Members of the House of Representatives, having them coming from the varying geographic and economic interest areas which we all represent, and having them representing both parties and having them come into the well of the House and say 50 of the 51 of us are in support of this bill, I think that represents a rather formidable combination and a rather unusual situation.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Utah. I yield to the gentleman from Arizona.

Mr. UDALL. Has the gentleman ever heard of any other piece of legislation where you could have the support of such Members as the gentleman in the well, such as the distinguished gentleman from California [Mr. HOLIFIELD], such as the distinguished gentleman from Arizona, the gentleman from California [Mr. UTT], representing such a wide range of statesmen who have been found to come together on other issues?

Mr. BURTON of Utah. The gentleman from Arizona has enlarged upon my point and I thank my colleague for his remarks.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Utah. I yield to the gentleman from Washington.

Mr. FOLEY. Will the gentleman be similarly impressed with the fact that all Members of the northwestern delegations, Republicans and Democrats alike, are in opposition to the bill in its present form?

Mr. BURTON of Utah. I am not impressed with that point at all.

Mr. ASPINALL. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, about 2 years ago I was the happy beneficiary of an invitation by our two distinguished colleagues, from Arizona [Mr. UDALL and Mr. RHODES] to fly down to Arizona and view the proposed central Arizona project with them. By accepting that invitation I was able to see the area which was to be irrigated and to hear their compelling arguments on the need and right of Arizona to its share of the Colorado River. At that time I announced publicly to the press and other news media that I considered myself one of the strongest supporters of the central Arizona project in the House of Representatives, because I was for it absolutely without conditions. I was for it without the 4.4 million acre-feet guarantee to California; I was for it without feasibility studies of 2½ million acre-feet of augmentation water. I was for it without the assumption of the Mexican Water Treaty; I was for it without all of the encumbrances, reservations, conditions, and addenda which has been attached like leeches or barnacles to this long-suffering project. I want to give Mr. RHODES and Mr. UDALL what they have the right to have—the central Arizona project.

I am even willing to support the other projects in the State of Colorado and the Dixie project in Utah; but I cannot support the provisions of this bill which are unnecessary to the central Arizona project and cannot be otherwise justified; namely, the assumption of the Mexican Water Treaty burden as a national obligation and the authorization in advance of a reconnaissance study or a feasibility study for augmentation of the Colorado River by 2½ million acre-feet.

We are told that these two provisions and many others are part of a delicate compromise between the seven Basin States.

We are in effect invited not to tamper with the agreement because it is a solemn agreement of these seven States. I believe that is a perfectly appropriate suggestion if you happen to be from one of those seven States; indeed, if you are from any of the Colorado River States I suggest to you that it is probably in your political interest not to tamper with the agreement, but on the other hand if you are from some other State I believe you would do very well to consider how your constituents and your State interests might suffer if these two provisions are left in the bill.

Let me underline the point that we do not need to pass these extra provisions of this bill in order to give Arizona all it is entitled to have. Many Members received a letter from the distinguished senior Member of the other body inviting support of this legislation. In his next-to-last paragraph that distinguished representative of Arizona said:

While this bill—

That is, the House bill—

differs in some respects from the Senate bill 1004, either would authorize construction of an aqueduct from the Colorado River to bring water to Arizona.

Senator HAYDEN has, in effect, said that the Senate bill accomplishes the purposes for which Arizona has fought so many years. The Senate bill does not contain either the assumption of the Mexican Water Treaty or feasibility studies of augmenting the Colorado River by 2.5 million acre-feet. It is a clean bill. That distinguished gentleman sponsored S. 1004 in the other body. I do not believe anyone in this body would compromise or question his sincerity or dedication to the interests of Arizona. And he has assured every one of us that the passage of a bill such as S. 1004 would fully serve the interests of Arizona.

These other provisions of H.R. 3300 are not for Arizona. They are for other States, and they include what I do consider to be an exceptional, most unusual—if I might put it in the words of the gentleman from Arizona—"outrageous" provision to make the assumption of the Mexican Water Treaty a national obligation.

Let us just consider for a moment what the Budget Bureau did say. It did not endorse the assumption of the Mexican Water Treaty, nor has any recommendation from this administration or any previous administration ever endorsed the assumption of the Mexican Water Treaty. It said that the Mexican Water Treaty assumption was not objectionable to the Bureau of the Budget if two things were accomplished: First of all, if the Congress felt there were unique circumstances justifying the assumption by the Nation of the water burdens of the treaty. I repeat—unique. And secondly, if the Congress limited the price guarantee to 1.5 million acre-feet. Obviously the Bureau of the Budget is deeply concerned about the prospective costs of this program as well they should be.

What is the section of this bill which assumes the burden of the Mexican Water Treaty obligation? Members have said it is nothing. The gentleman from Arizona said "Take out your pencil and write this down." I took out my pencil and I wrote it down. He said, "It is nothing. It is not a promise, it is not a guarantee, it is nothing, it is just a simple, little sense-of-Congress resolution."

Now, Mr. Chairman, I look around this room and I do not see anybody who I consider less than a knowledgeable and a clear-headed Member of the House. Simple, little sense-of-Congress resolutions—the gentleman said—simple, little sense-of-Congress resolutions are as dangerous as delayed action bombs. They are designed to be. They do not blow up in your face today. They tick quietly away for a few years until someone is ready to hit the detonator.

I prophesy to those who are in this House today, and who will be in the House at that time, that 3 or 4 years from now they are going to be asked for 4 or 5 or more billions of dollars to justify a project to which we never thought we were committing ourselves when we passed this simple, little sense-of-Congress resolution. And tomorrow, I hope, when we have a motion or an amendment on the floor to take out this simple, little, sense-of-Congress resolution, we may save ourselves and other colleagues some real future grief.

If we should give—and I use the verb advisedly—to the Colorado River Basin a nonreimbursable project of agumentation of a million and a half acre-feet, why is it necessary to do it now before we know the cost in billions of dollars? Let us do what we ought to do in simple, businesslike responsibility. Wait until the studies have been completed, until the cost estimates have been prepared; wait until we know where the water is coming from, where it is going, how it is going, what method of delivery will be used, and how much it is going to cost—especially how much it will cost. Is that not a simple, basic, businesslike option for this House to undertake? Why should we act now if this section is not essential to this bill; if it is just a little, simple, sense-of-Congress resolution, as the gentleman says? Why do they object to taking it out? If it does not do anything or promise anything, if it does not lay the groundwork for anything, then it does not serve any purpose, does it? Does it? I leave it to your judgment.

I want to speak now about the feasibility study to augment the Colorado River by 2½ million acre-feet. In 1965 Congress passed the Federal Water Project Recreation Act. Section 8 provides as follows:

Effective on and after July 1, 1966, neither the Secretary of the Interior nor any bureau nor any person acting under his authority shall engage in the preparation of any feasibility report under reclamation law with respect to any water resource project unless the preparation of such feasibility report has been specifically authorized by law, any other provision of law to the contrary notwithstanding. Public Law 89-72. July 9, 1965.

Today we are asked to authorize such a feasibility study for the costly augmentation of water to the Colorado River before the preliminary reconnaissance studies have been completed—indeed, before they have been taken.

Why are we asked to do that? I suggest the purpose of this unconventional provision is to remove the possible objections which some Members might make to such a feasibility study if they have the reconnaissance study conclusions before them.

We can change this inverse order of studies without delaying proper investigation because, as the reconnaissance studies have to start first anyway, and the Secretary of the Interior has full power to undertake any reconnaissance studies he can fund.

Besides the improper sequence, the section gives only one direction to the Secretary. The Secretary is given authority to study the most economical means—in his judgment the most economical means— of augmenting the river by 2½ million acre-feet. He can study any source and any means.

I would suggest to my friends from the Missouri Basin that there is nothing in this section to prevent the investigation of the feasibility of bringing the water from the Missouri Basin if the Secretary decides that should be done. We do not give him any of the customary directions or limitations for his guidance. As in the water treaty section the drafters obviously considered vagueness as a virtue and uncertainty a goal.

The whole thing is a blank check—not only a blank check for the Mexican Water Treaty obligation, but a blank check for the feasibility studies.

If these two sections can be removed from the bill, I will support the bill. The central Arizona project should be built. Arizona deserves it. They have fought for it for a generation and their fight has been a good fight.

But these other provisions have nothing to do with the central Arizona project. They endanger its ultimate success.

The prospective costs of the Mexican Treaty obligation and the feasibility study, if either results in the construction of works to bring water by surface diversions, is many, many times the total authorization cost of $1.3 billion that is directly provided by this bill. The sum of $1.3 billion is a lot of money to authorize this year as we all look a tax increase and massive budget cut full in the face. Surely we should identify and reject subtle provisions which are very likely to commit us to many, many billions more.

Mr. Chairman, I plead with the committee to look at this bill calmly and unemotionally and judge this matter not on the basis of what seven States have agreed suits their present convenience but on the broader basis of what is reasonable and sensible for the entire Nation and for the Members of this House who represent the other 41 States which will get no benefits from this bill but which will bear the cost.

Mr. RHODES of Arizona. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. LIPSCOMB] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. LIPSCOMB. Mr. Chairman, H.R. 3300 represents a long and welcomed step forward. Its enactment will permit a controlled continuation of the Colorado River's development and set the stage for an equitable solution of the river's basic water supply problems.

Those interested in the development of the Colorado River Basin have spent years shaping and molding this legislation into its present form, so that it might provide the optimum net benefit for each area, a balancing of interests.

California will obtain recognition of its vast investment in existing Colorado River water facilities through protection of 4.4 million acre-feet of its present annual Colorado River water supply of 5.2 million acre-feet. Arizona will, of course, obtain authorization for the central Arizona project, a project which she has sought for generations, and which will permit the future development of that State.

Colorado will obtain authorization of five smaller projects needed by its growing economy. Utah will obtain authorization of a similarly needed project and assistance on a previously authorized project. New Mexico will directly and substantially participate in the benefits of the central Arizona project. Wyoming and the other States of the Upper Colorado River Basin will obtain important provisions for controlling the operation of the two great reservoirs on the river, Lakes Powell and Mead.

All of the Colorado River States will benefit from the bill's authorization of realistic studies for augmenting the Colorado River's water supply, and from its realistic framework for actually obtaining that augmentation. Conversely, States with surplus water supplies will obtain valuable area of origin protection as well as veto protection against water export projects. Conservationists will obtain protection against new Colorado River dams, as well as provisions for the development of fish, wildlife, and recreational facilities in each of the projects authorized by the bill.

It is generally known that reclamation projects earn income which repays almost all of their cost. This bill has such a provision. The expert and careful work of the Interior Committee under the leadership of Chairman WAYNE ASPINALL, of Colorado, has come up with a workable and fair proposal.

This bill protects existing economies of the areas involved. It makes possible new development. It is financially sound. It will require relatively small appropriations to start and will not need major investment until our improving circumstances make such funds available. It accumulates earnings even after meeting repayment obligations so that funds to help finance future progress will be on hand when the time comes to take another step forward.

H.R. 3300 is truly a representative bill that will benefit California as well as all the Colorado River Basin States and the entire Nation, by changing a future of strife and continuing litigation to one of harmony and mutual development.

I recommend the Colorado River project bill to you as worthy of your favorable vote.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, if I might I would like to have the attention of my good colleague, the gentleman from Arizona [Mr. UDALL] for a question.

On page 68 of the bill, my colleague will recall that certain mention is made of the so-called Gila decree—Globe Equity No. 59—with regard to the division of waters of the Gila River.

Is it the impression of my friend, the gentleman from Arizona, that the mention of this decree in this bill, as it is mentioned, does not in any way change the existing rights of any individual or of any group of individuals as to the waters of the Gila River?

Mr. UDALL. I will say that both of us have been involved over the last several years in putting together the very complex provisions of this bill. The particular language that the gentleman refers to has been of some concern to one of the Indian Tribes located along Gila River.

I can state flatly and specifically that it has always been our intention in drafting these provisions, that we were not changing the rights of those Indians or the rights that were fixed by the Gila decree in any way. I question that Congress would have the power in any way to change the terms of the Gila decree, determined by a Federal court, which determine water-user rights along the river. I wish to make that clear, so there is no misapprehension on the part of anyone.

Mr. RHODES of Arizona. I agree with the gentleman. I doubt that Congress would have any right to do that. I ask him further whether it is his understanding that passage of this bill as now written would not change the rights of any person who is a party to, or might later become party to this matter, and who disagrees with any part of the Gila decree to apply to a court for a modification of that decree, or some part of it.

Mr. UDALL. As a practicing Arizona lawyer, as a member of the committee, and as one who helped to put these provisions together, I would fully agree with what the gentleman has said.

Mr. RHODES of Arizona. The gentleman qualifies as an expert.

Mr. Chairman, I cannot help but wonder why there are so many people who are afraid of a study. There is nothing in this bill insofar as water augmentation is concerned other than a provision that the Secretary of the Interior may enter into a study for the purpose of determining three things: First, water

needs; second, water supply of given areas, and third, to bring in recommendations, if indeed shortages are found in the Colorado Basin, as to the best means of alleviating those shortages.

There is nothing in this bill—and it has never been alleged otherwise by anyone that I know of—which would authorize any project whatsoever to be built to augment the water supply or to alleviate the shortages of the Colorado Basin or anywhere else. There is nothing in here which calls for the spending of money for any project, for construction, or for anything other than a study.

So, I repeat, what is the trouble with people who are afraid of a study? There is certainly no assurance that the Secretary of the Interior will recommend the importation of fresh water from any other basin into the Colorado Basin. If his study determines a shortage exists, he may recommend augmentation by desalinization, by water salvage, by weather modification, or by some means other than importation. He has many alternatives.

For instance, my good friend from California [Mr. HOSMER] and I have been collaborating on a project which we hope the Atomic Energy Commission will take up at some time in the future. This would be like Project Gas Buggy in many ways, in that there would be a nuclear detonation which would fracture the rock strata under the surface of the ground. The hope would be that the fracture would occur in such an area that water would come of the watersheds, and go into the underground, where it would be stored for human use. We think this is a possibility as a means of augmenting water supply.

So why do our friends from the Northwest assume that any water study is going to be pointed at the Columbia River? That is not my intention. It is not the intention of the other people who have had anything to do with this legislation. It is our intention, however, to do what we can to alleviate the water shortages which we have in this basin. The shortages are real.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from Washington.

Mr. FOLEY. I think the gentleman might point out that Members from the Pacific Northwest not only approved and supported, but several of us sponsored legislation for the National Water Commission, which would authorize specifically studies of interbasin transfer of water.

Mr. RHODES of Arizona. I am glad the gentleman brought that up, because the measure which would create the National Water Commission is languishing in the other body. I hope at the proper time the other body will bring it out. It is a good bill. I am for it and I want it to pass.

Mr. FOLEY. All we are concerned about is authority for a feasibility study before a reconnaissance study is made and is available for Congress.

Mr. RHODES of Arizona. Would the gentleman support title II if the feasibility study provision were taken out and only the reconnaissance study is left in?

Mr. FOLEY. Yes, indeed, I would enthusiastically.

Mr. RHODES of Arizona. I thank the gentleman for his contribution.

Mr. DON H. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. RHODES of Arizona. I yield to the gentleman from California.

Mr. DON H. CLAUSEN. Mr. Chairman, I think it might help for the Members now present on the floor to have something in the way of a comment from me, representing the northern coast of California, where we have approximately 40 percent of the entire water resources of the State of California. I can say there was a time when people from our congressional district had the same reservations the people of Oregon and Washington had about studying the water resources for export, as have been expressed. I can say most of our people have removed themselves from that particular position primarily because of the safeguards included in this legislation. The Eel River Association and the members of the various boards of supervisors of our counties are now encouraging the development of these valuable water resources, hopefully for the benefit of people.

Mr. RHODES of Arizona. Mr. Chairman, I thank the gentleman for his contribution. When the gentleman speaks of safeguards, I think it might be well to read a few. On page 50 of the bill, title II, section 201(a)(2), dealing with the provision allowing the Secretary of the Interior to investigate and to recommend sources and means of supplying additional water to the Colorado Basin, toward the end of that section there are these words included:

> *Provided,* That the Secretary shall not, under the authority of this clause or anything in this Act contained, make any recommendation for importing water into the Colorado River system from other river basins without the approval of those States which will be affected by such exportation, said approval to be obtained in a manner consistent with the procedure and criteria established by section 1 of the Flood Control Act of 1944 (58 Stat. 887)

So, Mr. Chairman, the Secretary cannot make any recommendation for any importation unless the State which will be affected actually has been consulted and agrees to it.

It has been said, and I think it is true, that 160 million acre-feet of water from the Columbia River flows into the Pacific Ocean every year. This is a lot of water. This is more than 10 times the average flow of the Colorado River. It is at least 20 times as much as even the wildest estimates of possible importations from the Columbia River.

I might ask my friend, the gentleman from Washington, if he wants to answer, how much water does the gentleman have to have flow into the ocean from the Columbia River before he feels secure?

Mr. FOLEY. Mr. Chairman, we do have a problem of adequate flows. While we do have very large flows in some years, there are other years in which the flow reaches under 50 million acre-feet. When it goes below that, there are threats to power generation and also to fisheries and navigation and water quality including pollution of the river from the atomic works at Hanford. We could not stand diversions of water in those low water years.

Mr. RHODES of Arizona. Mr. Chairman, may I answer the gentleman there? I refer the gentleman to section 203(a), which protects areas of origin. If we have a water shortage in an area of origin, then the exportation does not occur. There would be no water exported at all. The area of origin retains an absolute priority—forever.

Mr. FOLEY. May I answer the gentleman by saying that I addressed a question during the committee hearing to the distinguished Governor from Colorado, Governor Love, and I quoted that exact language to the Governor, and I asked the Governor if he would be satisfied to take those assurances on behalf of Colorado and the upper basin States, and he replied categorically "No."

I think the gentleman is asking a lot to ask us in the Northwest to take assurances the State of Colorado would not take.

Mr. RHODES of Arizona. Mr. Chairman, the gentleman knows full well that even the distinguished Governor of Colorado cannot make legislative history. We are making that here, today.

Mr. Chairman, the Mexican Water Treaty is, and should be a national obligation. It serves a national purpose, not just the purpose of the Colorado Basin. There are several precedents for the assumption of this responsibility by our National Government.

One precedent for assuming the Mexican Water Treaty as a national obligation insofar as the Colorado River is concerned may be found in connection with the Mexican Water Treaty as it applies to the Rio Grande. On the Rio Grande, the obligations assumed by the United States with respect to the construction of the necessary control structures were national obligations.

Article V of the treaty provides for the construction and cost allocations by the two National Governments of the necessary agreed upon dams.

Article VI provides for further studies of other future construction that may be agreed upon by the two governments. Falcon and Armistad Dams were both built on the Rio Grande under the terms of the Mexican Water Treaty and were financed by the National Government.

As further evidence of congressional recognition of the national obligations in connection with the waters of the Rio Grande, under the Rio Grande Convention of 1906—Treaty Series 455 (34 Stat. 2953)—this treaty being the one which granted Mexico 60,000 acre-feet of water from the Elephant Butte Reservoir, by the act of March 4, 1907 (34 Stat. 1295) the United States appropriated $1 million "toward the construction of a dam for storing and delivering 60,000 acre-feet annually in the bed of the Rio Grande at points where the headworks of the Acequia Madre now exists above the city of Juarez, Mexico." The treaty also provides that:

> The said delivery shall be made without cost to Mexico, and the United States agrees to pay the whole cost of storing the said

quantity of water to be delivered to Mexico, of conveying the same to the international line, of measuring the said water, and of delivering it in the river bed above the head of the Mexican Canal.

In 1933, the United States entered into the Rio Grande Convention—Treaty Series 864 (48 Stat. 1621). The purpose of this convention was to provide for rectification of the channel of the Rio Grande below Elephant Butte Reservoir. In this convention, article III, the cost of the works was prorated between the two governments in the following percentages: United States 88 percent and Mexico 12 percent.

It is noteworthy that in the foregoing instances the States were not called upon to bear any share of the costs involved.

Additional material relevant to this general topic may be found on pages 43 to 53 inclusive of the Committee Report No. 1312 on H.R. 3300. Pages 50 and 51 are particularly in point. On page 51 there is mention of the Lake of the Woods Treaty, the Niagara Water Treaty and the Columbia Treaty all being treaties between the United States and Canada.

Mr. Chairman, I ask unanimous consent that the gentleman from Arizona [Mr. STEIGER] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. STEIGER of Arizona. Mr. Chairman, I would like to direct my remarks to the effects which H.R. 3300 will have upon the Indians in Arizona in the project area.

I have categorized the effects into three classes: First, the water rights of the Indians; second, the direct effects; and third, the indirect benefits to be derived.

First of all, nothing in the bill would affect adversely the present perfected rights of Indian reservations in waters of the mainstream of the Colorado River. It would, however, enhance the position of some tribes.

The Supreme Court decree in Arizona against California set out these present perfected rights for the lower basin in article VI, thereof. The Court held that water sufficient to irrigate all the acreage practicable of irrigation on the reservations was reserved; that the United States had reserved such rights for the Indians; and further, that such rights are "present perfected rights" with priorities as of the dates the reservations were established. The Yumas, Fort Mojaves, Chemehuevis, Cocopahs, and Colorado River Tribes are entitled to divert 905,496 acre-feet or to irrigate 117,662 acres with water from the mainstream of the Colorado River. Section 301(b) and section 601 of H.R. 3300 maintain the efficacy of that decree.

There is no judicial determination as to the upper basin quantitative water rights. However, article XIX of the Upper Colorado River Basin Compact of 1948 states:

Nothing in this compact shall be construed as: (a) Affecting the obligation of the United States of America to Indian Tribes.

The Indian reservations in the upper basin are the Navajo, Jicarilla Apache, Southern Ute, Ute Mountain, Uintah, and the Uncompahgre. Section 601 of the bill provides, among other things, that nothing in the act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Upper Colorado Basin compact.

As for the tribes within the area of the project, section 304 provides that central Arizona project water will not be made available for the irrigation of lands unless the lands have recent irrigation history, as determined by the Secretary. The prohibition does not apply to Indian lands.

In the upper basin authorization, the specific provision is included that the planning report for the Ute Indian unit of the central Utah participating project shall be completed on or before December 31, 1974, to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the September 20, 1965, agreement. Thus, all water rights of the Indians will be fully protected.

DIRECT EFFECTS

The direct effects upon Indians and tribes are as follows: First, construction of new irrigation systems and rehabilitation and lining of existing systems for the seven Indian reservations within the project area are included in the project.

Under the terms of section 402, all construction costs allocated to the irrigation of Indian lands are nonreimbursable to the extent that such costs exceed the ability of the Indians to pay. To the extent that such costs are within the ability of the Indians to repay the repayment of such costs is deferred for as long as the Indian lands are in Indian ownership.

Next, section 302 of the bill provides for the acquisition of the Indian lands that are needed for the Orme Dam and Reservoir, a structure in the distributions system of the central Arizona project.

The Indians will be paid fair market value for their property interests. The lands of the Salt River Pima-Maricopa Indian Community, Ariz., and the Fort McDowell-Apache Indian Community, Ariz., are affected.

In addition, the Secretary shall offer to pay up to $500,000 for relocating or replacing the improvements thereon.

In addition, title to any land or easement acquired shall be subject to the use of the Indians, or its lease, for any purpose that is not inconsistent with the operation of the project. This means, for example, use for grazing when not under water, as well as for mineral rights, if any.

The Fort McDowell Indians will lose a substantial portion of their lands because of the dam and reservoir. Therefore, in addition to the compensation, the Department of Interior will add 2,500 acres of Federal land to the reservation so that an adequate land base will be maintained.

In addition, both of the Indian communities involved will have the right to develop and operate recreational facilities on the Federal lands along the shoreline of the Orme Reservoir that are on or adjacent to its reservations.

Finally, any funds received pursuant to this section and any per capita distribution thereof are exempt from State or Federal income taxes.

The White Mountain Apaches in the highlands of Arizona will benefit greatly through the "exchange" provisions of the bill. The San Carlos Apaches will also benefit from the "exchange" provisions because they are dependent upon higher elevation water supply.

The Pima-Maricopas of the Gila Indian Reservation will, at long last, be in a position to receive a badly needed supplemental water supply.

ANCILLARY BENEFITS

In addition to the direct benefits set forth herein, certain ancillary benefits will be derived by Indians with the passage of this bill.

Section 303(b) authorizes the project participation in entitlement to certain capacity of a thermal generating plant to be used for project pumping in connection with the Arizona project aqueduct. It is planned this plant be a large facility constructed by non-Federal interests located on the Navajo Indian Reservation using Navajo and Hopi coal with the revenues going to these tribes for both fuel and land use.

Mr. Chairman, from a comparative standpoint, when we talk in numbers of people in Arizona, I think it safe to say the Indian citizens of our State will benefit more percentagewise than any segment of our population.

I feel compelled to add at this point, however, that removal of the Bridge Canyon Dam and Reservoir from the plan has removed, at least for the present, an immediate chance for economic improvement of the Hualapai Indian Community. With the compromise to remove this Colorado River Dam from the project plan, the long-sought Hualapai enterprise disappeared. I regret this loss to the most deserving Hualapai Tribe. However, at the hearings the record was amply made. This loss was recognized by the Secretary and is accordingly to be considered in the Department's future plans for the tribe.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. TUNNEY].

Mr. TUNNEY. Mr. Chairman, first I would like to say, before I address myself to the investigations and studies, that in my opinion if it had not been for the wisdom and patience and legislative skill of the chairman of the full committee, this bill would not be before the House in the form that it can be accepted by the Members of Congress from the Southwest and by the Members of the Congress from all over the country. There were times in the last three and a half years I have served on the Committee on the Interior that the controversy was heated and some of the statements made were acerbic. I think it was due to the patience and foresight of the chairman that we were able to get a bill hammered together in final form that is acceptable.

I should like to address myself to the need for the studies and why it is these studies are in the bill to begin with.

The facts of the matter or very clear. We have a deficit right now in the lower basin of 1½ million acre-feet a year, and sometime between 1985 and 1995 there is going to be deficit in the basin of about 2½ million acre-feet. There is no question about this. In our hearings we had four volumes of testimony that made it very, very clear the critical period was going to be somewhere between 1985 and 1995.

If there is a need to have more water in this basin, obviously we must have studies of some kind before we can construct any projects to bring water in. This is as simple as ABC.

So it is a wonder to my why Members of Congress from the Northwest, from the State of Washington in particular, would talk about the cost, when they know very well unless we are going to tell the people in the Southwest they are going to have to change their way of life or they are going to have to move out of the area we will have to have these studies, which eventually may or may not lead to importation works, which may or may not lead to desalination plants, and which may or may not lead to weather modification programs.

I also believe it is no small surprise to some of us to hear Members of the Northwest talking about the cost when it was only last year, I believe, we authorized $400 million for the third power plant at Bonneville. Bonneville was designed to bring cheap power to the Northwest. I voted for that authorization in committee and on the floor, and I am proud to have voted for it, because I feel that the people of the Northwest have a need. It is important they build up their area. It is important they have an opportunity to attract industry. But it seems to me to be somewhat unfair for them now to come on the floor of the House of Representatives and say, "Oh my gosh, this is going to cost so much money in the future."

Mr. MEEDS. Mr. Chairman, will the gentleman yield?

Mr. TUNNEY. I yield to the gentleman from Washington.

Mr. MEEDS. Has the gentleman or anyone in the Pacific Northwest voted against any of the authorization money in this bill for the central Arizona project?

Mr. TUNNEY. I have not heard any statement made against the central Arizona project; no.

Mr. MEEDS. I thank the gentleman.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. TUNNEY. I yield to the gentleman from California.

Mr. HOSMER. I believe, however, we must say that we have heard several of the gentlemen from the Northwest wish to destroy this bill, to "gut" it, to tear it to pieces and to throw the pieces away.

Mr. TUNNEY. That is right.

Mr. HOSMER. And to leave nothing upon which the Congress could act.

Mr. TUNNEY. That is correct.

This is an area of the country which is extremely important. I need not point this out, but 13 percent of the total population of the country lives in this area. Fifty-one percent of all retail sales of the West take place in this area. Fifty-five percent of the industrial production of the West is in this area serviced by the Colorado River.

What this study will do is to provide, first, for a reconnaissance report, and second, for a feasibility report. But the study itself is to be broad based. It is to look at all the present uses of water along the Colorado River and the basin, as well as the uses up in the Northwest or other areas of potential export. Second, it will——

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. ASPINALL. Mr. Chairman, I yield the gentleman an additional 3 minutes, and I ask the gentleman to yield to me.

Mr. TUNNEY. I yield to the chairman of the committee.

Mr. ASPINALL. Is it not true that if the Federal Government had not been understanding of the vagaries of this river and that the users of the waters of this river had not been willing to repay, either through consumption of power within the area by power users or by irrigation repayment, or by municipal water repayment, that this river would not be developed even today? The flood which went through the area in 1904 and 1905 cut off the Yuma area and Mexico and all the rest of the lower basin entirely.

Mr. TUNNEY. That is correct.

Mr. FOLEY. Would the gentleman agree before the feasibility study can be undertaken there has to be a reconnaissance study first? The bill anticipates two stages; namely, a reconnaissance study followed by a feasibility study. Is that not correct?

Mr. TUNNEY. The bill anticipates the two stages will probably be taking place at the same time, because what the bill states in section 201(a) is that the Secretary is authorized to investigate and recommend sources and means of supplying water to meet the current and anticipated water requirements of the Colorado River Basin, and then it goes on to talk about a reconnaissance study having to be completed in 1973 and a feasibility study directed at bringing 2.5 million acre-feet of water into the Colorado River Basin by 1975.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield to me?

Mr. TUNNEY. I am glad to yield to the chairman of the committee.

Mr. ASPINALL. I will say what I said to the gentleman from Washington in answer to the question he asked the gentleman from Arizona [Mr. RHODES]. This 2.5 million acre-feet of water provided as far as the feasibility study is concerned is the maximum that this bill calls for. It cannot be said in any way to be pointed toward any particular area of the Nation. Is that not correct?

Mr. TUNNEY. That is absolutely correct.

Mr. ASPINALL. Not only that, but up to just the last 2 or 3 years the feasibility report would have been automatic from the Bureau of Reclamation, but under the procedures which we are now following and which the Committee on Interior and Insular Affairs, working with the Committee on Appropriations, suggested, it calls for an authorization for a feasibility report no matter how small it is.

Mr. TUNNEY. That is absolutely right. And time is of the essence. The fact is clear from the testimony we have had, plus private correspondence, that the Northwest is going to finish their basin study by 1971 or 1972, and the reconnaissance study will be completed 1 year thereafter and will be able to take into consideration the information contained in the Northwest study.

Mr. FOLEY. Mr. Chairman, will the gentleman yield to answer a question on his own account?

Mr. TUNNEY. I will be happy to answer.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. HOSMER. Mr. Chairman, I yield 10 minutes to the gentleman from Wyoming [Mr. HARRISON].

Mr. HARRISON. Mr. Chairman, it is with extreme concern that Wyoming views debate on the central Arizona project—the principal feature of H.R. 3300, the Colorado River Basin Project Act.

Our concern has a single primary source: Wyoming's water will be required to make the project function and the legislation provides only the most ambiguous language to suggest that additional water will be drawn into the Colorado River from some outside source to augment that which will be lost.

At an appropriate time, I shall offer an amendment to clarify the question of augmentation.

The bill being debated today is in every sense regional legislation.

It greatly benefits one region—primarily one State—at the expense of others because the water with which the central Arizona project will be fueled will come from the upper basin States of the Colorado River. A half million acre-feet that is rightfully Wyoming's will be drawn into Arizona's reclamation project.

I urge that the bill before us be either rejected or amended to insure that Wyoming and other upper basin States will not be penalized in their industrial, municipal, and agricultural developments by the downstream expropriation of water which legally is an upstream asset. While the bill reported out by the distinguished chairman of the House Interior and Insular Affairs Committee, the gentleman from Colorado [Mr. ASPINALL], does address the question of augmentation, it is only in the context of a study and the Interior Secretary is prevented from recommending a specific river basin from which augmentation might come without the agreement of the exporting State. This clearly means that no importation will be forthcoming as the result of this act.

As Members know, H.R. 3300 sets no dates for the importation of water into what will soon be a water-deficient river. Nor does the bill provide for the construction of augmentation facilities or any reconnaissance that might lead to the naming of a specific river from which to import water into the Colorado. H.R. 3300 recognizes that the de-

livery of 1.5 million acre-feet of water to Mexico under the 1944 treaty is a national obligation. Wyoming supports that obligation.

But it is for the agricultural and industrial future of Wyoming—a future predicated largely on the expansion of our irrigation projects for increased food production as well as development of my State's rich coal reserves—to which I hinge my plea for rejection or amending of the Colorado River Basin Project Act.

Wyoming could be the site of several score coal to gasoline plants in the decades ahead, and these plants, together with possible oil shale research, would put many demands on Wyoming water.

Accordingly, a legal right for the use of the water will be created, or Wyoming will be presented with a dry well at building time if the water is lost to us by virtue of the huge project to be built in Arizona.

The Office of Coal Research, whose Director, George Fumich, visited Wyoming last month at my invitation, estimates that the average coal to gasoline plant will consume from 3 to 15 million tons of coal per day and produce from 15,000 to 125,000 barrels of oil per day. But for this consumption and production to be realized, each plant will require an estimated 15,000 to 30,000 acre-feet of water per year. Clearly, if Wyoming does not have the water, none of these plants will be built, and what is now America's richest coal reserve will not be utilized to bring jobs, business, and taxes into our State.

The very capable Governor of Wyoming, Stanley Hathaway, has prepared a letter for delivery to each Member of Congress prior to debate on the central Arizona project.

Governor Hathaway points out:

The Secretary of the Interior has not submitted a report on the presently proposed central Arizona project to the State of Wyoming. We have had no opportunity to review and comment upon the central Arizona project as proposed in H.R. 3300.

Governor Hathaway further asserts:

My State is entitled to formally present its objections concerning this legislation as provided by existing reclamation laws.

But despite the reclamation laws, the central Arizona project has not been submitted to Wyoming for review and, indeed, may be on the verge of House approval today.

The short period between committee approval, Rules Committee action, and the scheduling of the bill on the floor has made distribution of the letter to each member an impossibility, and I will ask that it be printed in the RECORD at this point in my remarks. The letter follows:

PROPOSED LETTER TO MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES

In the near future, H.R. 3300, which would authorize the Central Arizona Project, will be considered on the floor of the House of Representatives. Methods followed by the present administration concerning the Central Arizona Project violate the Reclamation Laws. Those laws provide that the Secretary of the Interior shall transmit a report on any proposed project to all States that lie within the drainage basin of that project. Under this provision, a 90-day time period after the receipt of such report is set aside within which the States can review and comment on the proposed project. If any affected State objects to the project, it shall not be deemed authorized except upon approval by an Act of Congress. Plans, proposals or reports for any irrigation project are to be submitted to Congress only upon compliance with this procedure.

The Secretary of the Interior has not submitted a report on the presently proposed Central Arizona Project to the State of Wyoming. We have had no opportunity to review and comment upon the Central Arizona Project as proposed in H.R. 3300. In August 1963, the Department of the Interior submitted the Pacific-Southwest Water Plan to the State of Wyoming for review and comment. That Plan proposed a comprehensive region-wide plan which was designed to meet the needs of the entire Southwest. The Central Arizona Project as presently proposed is a far cry from anything recommended in the Pacific-Southwest Water Plan.

That Plan proposed a two phase program. The major features of Phase I were the creation of a Pacific-Southwest Development Fund, construction of Bridge Canyon and Marble Canyon Dams on the Colorado River, construction of the Central Arizona Project, and the enlargement of the California State Water Project Aqueduct. The major features of Phase II pointed to the construction of works necessary to import water from the North Coastal Area of California into the Pacific-Southwest.

In accordance with the Flood Control Act of 1944 (33 U.S.C.A. Sec. 701–1), on August 26, 1963, the Pacific-Southwest Water Plan was presented to Governor Clifford P. Hansen for review and comment. The Plan upon which Governor Hansen commented upon recognized the inevitable water shortage and offered a positive approach to solving it. Governor Hansen commented favorably, with some limitations, on that Plan. The Pacific-Southwest Water Plan, as submitted to Governor Hansen in August, 1963, is the only Report on the Central Arizona Project that the Secretary of the Interior has submitted to the State of Wyoming in accordance with the Flood Control Act.

The present legislation, whether it be H.R. 3300, S. 1004, or any of the other Bills concerning the Central Arizona Project, proposes a radically different program than that presented in the Pacific-Southwest Water Plan.

The Development Fund recommended in the Pacific-Southwest Water Plan was to be used to underwrite the construction of the works in Phase I. Money for that Fund would have come from the excess power revenues from Bridge Canyon and Marble Canyon Dams. Also, power revenues from Hoover and Parker-Davis Dams would have added to the Development Fund when those projects are paid off in about 1987. The Bureau of Reclamation predicted that by the year 2025, that Development Fund would have a net balance of $916,000,000. This money would have been available to help defray the cost of augmenting a shrinking water supply in the Colorado River.

H.R. 3300 proposes a Development Fund which would receive all revenues connected with the operation of the Central Arizona Project, revenues from the Boulder Canyon and Parker-Davis Projects available after payout of those two projects, and surplus revenues from the Pacific Northwest-Pacific Southwest power intertie. Revenues available after repayment of the reimbursable costs of the Boulder Canyon and Parker-Davis Projects, and funds available from the other two sources, after repayment of the reimbursable costs of the Central Arizona Project, could be used to assist in the repayment of works which would augment the supply of the Colorado River. The Secretary of Interior has not informed the State of Wyoming how much money this would provide to assist in such an augmentation.

The Pacific-Southwest Water Plan proposed that the United States cooperate with the State of California in enlargement of the California Aqueduct from Wheeler Ridge to Cedar Springs. The Plan stated that $100,000,000 could be saved if the United States would, by 1964, commit itself to supply the additional money needed to enlarge the proposed Aqueduct so that it might carry an additional 1.2 million acre-feet. The remaining facilities necessary to supply that water had been shown to be feasible but final refinement of the details of the individual features were necessary before they were ready for authorization and construction. The time has now passed when this would have been feasible.

The Pacific-Southwest Water Plan estimated that water requirements from Glen Canyon to the Gulf of Mexico totaled 14,520,000 acre-feet annually. It showed 13,160,000 acre-feet of water to be presently available. This indicated a present deficiency of 1,360,000 acre-feet annually. The Plan showed that with the California Aqueduct in operation, by the year 2000, even though the available supply would have increased to 16,325,000 acre-feet annually, the demand would have increased to 19,805,000 acre-feet annually. When conveyance losses of 170,000 acre-feet annually were added, the total annual deficiency amounted to 3,650,000 acre-feet annually.

The approaches taken in current Bills proposing to authorize the Central Arizona Project, and that of the Pacific-Southwest Water Plan are radically different. The Pacific-Southwest Water Plan presented a broad regional approach that attempted to find an equitable and area-wide solution to a regional problem. Present legislation proposing to authorize the Central Arizona Project would utilize a narrow and limited approach which will leave the fundamental water supply problems on the Colorado River unresolved.

As Governor of the State of Wyoming, I feel that the provisions of the Flood Control Act of 1944 have not been fulfilled in the current process of presenting H.R. 3300 and S. 1004 to the Congress. My State is entitled to formally present its objections concerning this legislation as provided by existing Reclamation Laws.

We therefore request your support in defeating all currently proposed legislation which would authorize the Central Arizona Project so that the State of Wyoming might have the opportunity to review and comment on a detailed report of the Central Arizona Project as now being considered.

Mr. Chairman, Wyoming is deeply concerned that passage of the central Arizona bill may affect the legal standing of the basic laws of the Colorado River—the compacts of 1922 and 1948, and the Mexican Water Treaty. So that the record on this debate might be crystal clear, I address the distinguished chairman of the House Interior and Insular Affairs Committee.

As you know, the State of Wyoming has long had serious reservations about the passage of any legislation authorizing the central Arizona project, which does not adequately protect our State's lawful rights to Colorado River water.

It has always been Wyoming's view that the Colorado River Compact of 1922, the Upper Colorado River Basin Compact of 1948, and the Water Treaty of 1944 with the United Mexican States represent the supreme law of the Colorado River. It is of the utmost importance that the House record on H.R. 3300 be clear, because much that occurs with respect to the Colorado River in the future will be cast in the context of these de-

bates. For this reason, I respectfully ask if H.R. 3300 is intended to alter or abrogate in any way the law of the river as set out in the instruments I have cited, or is H.R. 3300 intended to directly or indirectly change the apportionment of water to the State of Wyoming in any way from that which has been set out by these instruments?

Mr. ASPINALL. Mr. Chairman, will the gentleman yield to me?

Mr. HARRISON. I yield.

Mr. ASPINALL. The answer is "No." The only reason that the State of Wyoming does not have any projects in this legislation for authorization, admitting its entitlement has gone unused and will be unused for a few years to come, is the fact that they have no projects ready for the Subcommittee on Reclamation of the Committee on Interior and Insular Affairs to take notice of or to work upon at this time. That is the only reason that the State of Wyoming does not have any project in this legislation.

Mr. HARRISON. There might be a possibility, could there not, a theoretical proposition—and I know the gentleman cannot answer definitely, but I would just ask for his opinion—if this water is put to use, the water that belongs to the upper basin, and the State of Wyoming in particular, and is put to beneficial use by the State of Arizona in its projects before Wyoming is able to establish projects for the balance of their water, would it not be possible or very probable that in the case that Wyoming would demand a return of their share of the water, that such return would be refused, and that the case would have to go to court, and that possibly there could be a judgment saying that as the water was being put to beneficial use, Wyoming could not recover it?

Mr. ASPINALL. Mr. Chairman, if the gentleman will yield further, I have long since quit trying to prophesy what the Supreme Court of the United States decisions would be.

While I would say that there is this possibility, yet I do not believe that there will be any Congress of the United States in the future that will deny the burdens or the responsibilities, as well as the benefits of the Colorado River Compact. To me this is a binding agreement, binding as it can possibly be, and as far as that is concerned I believe the Congress of the United States will always be considerate as soon as the projects for the upper basin can be properly placed before the Congress, so that the upper basin will get to use its water. That is what we are trying to do here through some of the provisions in this bill. We are trying to protect the lower basin water, especially the central Arizona project, from going out of existence after the upper basin begins to use its water.

Mr. HARRISON. I thank the gentleman.

Mr. Chairman, in addition to the amendment I will present later in this debate, providing for a feasibility study for a 4-million-acre-foot augmentation of the Colorado River by 1990, I am drafting legislation for presentation in the event H.R. 3300 passes and the central Arizona project is written into law.

I will introduce a bill to provide for construction of facilities with which to physically make augmentation possible.

To do so as an amendment to H.R. 3300 would be little more than a gesture, because it would dramatically alter the character of the act.

But I am optimistic that this can be accomplished through separate legislation so that construction of augmentation structures can be started as soon as the prerequisite feasibility studies have been completed. All studies and construction should be ready for augmentation of the Colorado by 1990, by which time the river will be sadly in need of a transfusion of precious liquid.

Mr. Chairman, I reiterate that this is regional legislation; it seeks to expropriate Wyoming's water, and adequate means for replacing that water have not been provided for in the bill. I ask the Congress to reject the bill as written or to give Wyoming and other upper basin States some concrete assurances that they will lose none of their water for the benefit of the reclamation project in a single basin State.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. SAYLOR. Mr. Chairman, I yield 4 additional minutes to the gentleman from Wyoming.

Mr. Chairman, I do this for the purpose of directing a question to our distinguished colleague from Wyoming.

The gentleman has heard a number of proponents of this legislation rise and stand in the well today, and say that there is this great unanimity among the basin States. Has Wyoming been a party to this unanimity?

Mr. HARRISON. Wyoming has not been. And to comment upon the previous remark which was made on the floor, in which it was stated that there were 51 Members of the House from this reclamation area, and 50 of them were in accord, I might say that if you check the legislation very thoroughly you will probably find reason for that accord statement, and I wish to say that Wyoming feels that it is being hurt, and it will be hurt in the future, and as a Representative from the State of Wyoming, I have no hesitancy—and I certainly have no apology—for standing up for the rights of my State.

Mr. SAYLOR. I would like to commend my colleague for his stand. I would also like to direct a further question to the gentleman from Wyoming, because I have had reports from people in Wyoming that they have received calls from the Commissioner of Reclamation threatening the State of Wyoming with allowing no projects now or in the future unless Wyoming supports this legislation.

Does the gentleman from Wyoming know whether or not people have received calls of this nature?

Mr. HARRISON. May I say to the gentleman from Pennsylvania, I had statements made to me that such statements were made. It is hearsay, of course, because I did not hear them.

I had just recently concluded a phone call to my Governor in Hawaii and he said that such statements were made to him. I must say that that is hearsay. I am not going to mention any names, but I was assured that that statement was made.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. MEEDS], a member of the committee.

Mr. MEEDS. Mr. Chairman, I rise to speak in favor of the central Arizona project but against several other portions of this bill.

Let me make it clear at the outset I favor the central Arizona project. Nothing I say should in any way detract from the necessity and propriety of proceeding with it.

And I suppose—being from the Pacific Northwest—my position will be a little suspect. May I also at the outset admit to just a little regional partisanship.

But above and beyond these two factors—the need for the central Arizona project and a bit of regional partisanship—I think there are at least two portions of this bill which bear close scrutiny, substantial change, or rejection by this body.

First of all, Mr. Chairman, I think the precedent of burdening the taxpayers of this country with the financial responsibility of the Mexican Water Treaty 24 years after the pact, is not only dangerous but improper.

Second, Mr. Chairman, I think that shifting the actual physical burden of furnishing the water for the Mexican Water Treaty 24 years after the fact, to some other river basin is not only without precedent but totally wrong.

Let us examine these two facets in more detail—

Section 202 of this bill provides that the satisfaction of the Mexican Water Treaty constitutes a national obligation which shall be the first obligation of any water augmentation project.

Section 401 provides that this shall not be a reimbursable cost of the project. These provisions do two things.

First. Require the taxpayers of the United States to pay the costs of that augmentation.

Second. Require some other area—unless augmentation takes place within the basin or from the sea—to bear the physical burden of the treaty.

Now I admit that there is ample precedent for all of the citizens of the United States to bear the financial burden of treaties. We see it every day. But there is an important distinction which must be made between what this bill asks and the precedent of the Senator Washington Dam, the Painted Rock Dam, the Columbia River Treaty and others. In these instances we have known what our financial obligation is.

Under the legislation before us today we are asked to write a blank check on the U.S. Treasury for any amount found necessary to augment the Colorado to the extent necessary under the treaty.

We are told by the basin States that the treaty was entered under a mistake of fact and they are anxious to be relieved of that mistake. And I don't blame them, but I say to this body that we should not accept this section and ourselves succumb to a mistake of fact. Be-

fore we accept this obligation let us find out how it shall be fulfilled and how much it is going to cost us.

And now, Mr. Chairman, to the second point, the actual physical burden of the treaty. Where is this 1.8 million acre-feet of water going to come from? If we follow the rationale of the basin States to its logical conclusion the responsibility of furnishing this augmentation devolves equally upon all the States. Now we know that is totally impractical, so unless the augmentation comes from within the basin States or the ocean, the actual physical loss of some 2.5 million acre-feet of water is going to take place in some other river basin. What other river basin? We do not know, although the bill is pointed at the Pacific Northwest like a loaded gun. Now I ask you, is it proper to make the basin States whole, at the expense of some other area which had no reason to suspect the Mexican Water Treaty, signed 24 years ago, would cause the loss of 2.5 million acre-feet of its water?

This augmentation could conceivably come from the Missouri Basin. Would the Senators those States of the Missouri Basin have advised and consented to the Mexican Water Treaty in 1944 had they felt their water was going to Mexico? Perhaps they would have, but we do not know and they did not have the chance to know.

But the basin State Senators knew. They knew that under the treaty 1.5 million acre-feet of water was to be delivered at the border, and they knew it was to come from the Colorado and they advised and consented to it.

Now we are told that it must come from some other place and we are asked to give the Secretary of Interior the authority to determine the feasibility of importing water by interbasin transfer without the benefit or a reconnaissance study upon which we can exercise further judgment.

And therein lies another sleeper. Under ordinary circumstances we have the benefit of a reconnaissance study before we authorize a full blown feasibility study. But this legislation in title II, section C, directs the Secretary to prepare a feasibility report without further authorization.

Under some circumstances I might not even object to that. If we were operating on an emergency schedule which dictated such haste. But we are not. The evidence is clear. All of the obligations of the Colorado are being met presently and they will be met in the future, including the 2.8 million acre-feet of the central Arizona project until at least 1990.

Both bodies have passed legislation establishing a National Water Commission. The function and purpose of that group will be to study the very questions we are asking ourselves today: What are the needs of the Southwest now and in the future? What are the needs and resources of the Missouri Basin and the Columbia Basin? Are interbasin transfers likely to be necessary? In short, the Commission will address itself to the water problems and resources of the entire Nation. Their report could well be the comprehensive master plan under which many of the conflicting claims, needs, and demands are settled.

But we cannot expect such a comprehensive plan if we go on willy-nilly with a patchwork of solutions to regional problems and disregard the remainder.

There is no question— the central Arizona project needs to be authorized and it needs to be authorized now. There is a substantial question that this Nation should bear the financial burden of the Mexican Water Treaty.

There is substantial question that some other area should be required to transfer 2.5 million acre-feet of its water to make the Colorado whole.

And there is substantial question that we should authorize feasibility studies without the benefit of a reconnaissance reports.

But there is no question, Mr. Chairman, that we have time to await the findings of the National Water Commission before plunging into the murky waters created by title II of this bill.

I hope it can be eliminated.

May I have the attention of the gentleman from Colorado? A little earlier in discussing title II the gentleman used the words "a minimum of 2.5 million acre-feet." I think the gentleman meant to use the word "maximum."

Mr. ASPINALL. The gentleman from Washington is correct. Perhaps the chairman was a little overenthusiastic. It is the maximum, and the reason we use it as a maximum is to see to it that we are not trying to make an inroad on the Northwest.

Mr. MEEDS. That was my understanding. I thank the chairman.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from South Dakota.

Mr. BERRY. Mr. Chairman, I rise in support of H.R. 3300 as it is. I feel that there is no area in the Nation that needs the help now, that needs a project now as much as Arizona needs this project.

Let me just say that in the 17 years that I have served on the Interior and Insular Affairs Committee, no project has received more careful and thoughtful attention than this project has, and I hope it will have the support of a large majority of the Members of the House.

Mr. Chairman, I have visited Arizona a good many times in the last 40 years. I have watched the State grow from pretty much a desert area to a State with thriving cities and energetic people. But by the same token, I have watched the water supply become less and less adequate. I know the great aquifer that Tucson has depended upon for its source of water is rapidly diminishing. I know that action must be taken if this part of the great 50 States is to continue to grow and prosper.

As a member of the Interior and Insular Affairs Committee, it has been my privilege to see a large number of important reclamation projects work their way through the Congress of the United States. In my 17 years as a member of that committee, however, no bill has had such meticulous and painstaking investigation as has H.R. 3300.

It was my privilege years ago to be a member of the committee when the great Colorado River project was authorized, but even that project—although massive in size—had not had the careful consideration that H.R. 3300 has had.

I know what the water shortage is, I know what the water problem is, and Mr. Chairman, the water problem in Arizona is truly critical. This bill will help solve that problem and with that solution, the problems of all the Colorado Basin States.

Out of 40 years of controversy the great States of the Southwest have forged a solution. They have also taken into consideration the greater national interest. When it was proposed to build dams which might impair the beauty of one of the world's greatest scenic wonders, the Grand Canyon, I, along with others of you, told the southwesterners that there should be a different answer. That answer has been provided, and no threat to the Grand Canyon now exists.

Even the possibility of an insignificant intrusion of a wilderness area in New Mexico—some 110 acres in the edge of a vast area of acres—is to receive further study to see if a suitable alternate site can be found.

Whenever possible, the States have yielded to the national interest and to the problems each has had with the other. It is time for a decision. It would be tragic, indeed, if H.R. 3300, which has so painstakingly been put together, should not receive an overwhelming approval by this body. We cannot and must not fail to come to the assistance of the State of Arizona and her great sister States of the Southwest.

Mr. Chairman, I deem it a privilege and an honor as a member of the Interior Committee to urge my colleagues in this body to vote "Yes" on H.R. 3300.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, a moment ago the gentleman from Wyoming [Mr. HARRISON] expressed some fears about the possibility of his State eventually achieving its desires with relation to the waters it has allocated. I know the gentleman from South Dakota has been a longtime member of the Interior and Insular Affairs Committee, and I wonder if he might have an opinion as to whether or not, when Wyoming finds it timely to have such a project or projects, it would receive consideration and most likely favorable consideration?

Mr. BERRY. Mr. Chairman, as one who lives in the upper reaches of Missouri, where we have not yet accomplished our reclamation purposes, I certainly hope the upper reaches in every river basin have preference when and as they need the water and can put it to their use.

Mr. HOSMER. Mr. Chairman, I thank the gentleman. For my own part, I certainly would wish to reassure the gentleman from Wyoming as well. Frankly, I know of no one who does not feel the same way with respect to the projects that State may require within its allocation of the water.

Mr. HARRISON. Mr. Chairman, will the gentleman yield?

Mr. BERRY. I yield to the gentleman from Wyoming.

Mr. HARRISON. Mr. Chairman, I thank the gentleman from California for his remarks. I have the highest respect for the gentleman. I had the privilege and pleasure of serving on the Interior and Insular Affairs Committee with the gentleman for many years, as I did with the gentleman from South Dakota. This assurance is very welcome to me and to the State of Wyoming.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ULLMAN], a former member of the Committee on Interior and Insular Affairs and presently a member of the Committee on Ways and Means.

Mr. ULLMAN. Mr. Chairman, first I want to acknowledge with a great deal of respect and affection the monumental achievement of the gentleman from Colorado, the chairman of the committee, in being able to put together this package and hold it together and bring it to the floor at this time. It has been said that the Colorado River Basin project is a delicate patchwork of conflicting interests held together by string and adhesive tape. I think it would be more accurate to say it is held together by the gentleman from Colorado.

I also want to commend the chairman of the subcommittee, the gentleman from California, for his diligence and his fairness in conducting the hearings and handling this matter.

I also would like to single out the gentleman from Arizona [Mr. UDALL], who is so highly respected among his colleagues in the House for the tremendous job he has done, and also his colleague, the gentleman from Arizona [Mr. RHODES].

I want it to be clear that I favor the construction of the central Arizona project. I have always favored its construction, from its original inception. I do not, as a matter of fact, know of anyone here in Congress from the Pacific Northwest States who does not favor the construction of the central Arizona project. We certainly recognize the problems of water shortages in that great area of the country. As a nation, we do need to get involved in this problem. We need to get involved in the water shortage problems all over this Nation of ours.

But our point of contention here, those of us from the Pacific Northwest, is quite simple; what we are really talking about, when we boil this whole thing down, is the diversion of water from one river basin to another river basin. If we look at the map of the United States, we do not have to be very perceptive to see exactly what we are talking about. We are talking about the diversion of water from the Columbia River into the Southwest.

I believe that if any of you represented an area such as that which it is my privilege to represent, or the areas represented by the other Members from the Pacific Northwest, you would feel as strongly about this matter as I do and as we do here today, because water is the most important asset we have in the great Pacific Northwest.

We have not grown quite as rapidly as the Southwest, but one day—and one day not too far off—we are going to come to the end of the road on our water supply, too.

I am not opposed to the study of this problem. It should be studied. I said that at the beginning. But I am opposed to this kind of a study incorporated in an advocate's bill from another region of the country which so desperately needs water.

That is what it is all about here today.

The second problem involved in this bill is the fact that without the Mexican Treaty provision one could not possibly have the potential for feasibility that would make this kind of diversion possible. But with the assumption of the cost of such a diversion project by the taxpayers of the United States then this comes within the area of feasibility.

So this kind of a package has been very delicately put together, with its ultimate design obviously the importation of water from the Pacific Northwest. That is why we are here today. That is what the argument is all about.

I hope all Members will read the recent letter to the Members of this House from the esteemed President pro tempore of the Senate, the Honorable CARL HAYDEN, of Arizona, appealing for approval of the central Arizona project. It would be an appropriate tribute to this gentleman's remarkable career, the culmination of a 40-year effort, if the House would do that. We should strip this bill of its appendages, make it conform to the bill approved by the other body, and pass it.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. SAYLOR. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. ULLMAN. Mr. Chairman, as Senator HAYDEN said in his letter regarding H.R. 3300:

> While this bill differs in some respects from the Senate bill, S. 1004, either would authorize construction of an aqueduct from the Colorado River to bring water into Central Arizona.

My friends, that is it. That is the issue in a nutshell. That is what we should be doing here in the House today, providing a means to get Arizona's entitlement to the Colorado River from Lake Mead to the farms and the cities of Arizona. Instead, we are asked to authorize a carte blanche feasibility study of means to augment the Colorado River, including massive importation works from other river basins. Water diversion studies involving interbasin and interstate transfers should be considered by Congress, but should be considered separate from the proposed authorization of the central Arizona project.

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. ULLMAN. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I want to commend the gentleman on his statement and to call the attention of the Members of the House to the fact that the great State of Oregon has some areas which are arid and desert-like, as there are such areas in Arizona, and someday the waters of the Columbia River and its tributaries are going to be needed to supply those areas.

Mr. ULLMAN. The gentleman is absolutely correct. As a matter of fact, in this year's budget we have the start of a new reconnaissance study under the traditional reclamation concept of a project, the South Bank project, which will include some 300,000 to 400,000 acres of fertile lands in Oregon lying adjacent to the Columbia River.

This is just one of many projects that we are going to need to develop. In addition to that, the Columbia River area has its own unique uses and purposes for its water, such as the navigation in the Columbia River, fish and wildlife, and all of the other benefits to the Pacific Northwest that are built about this water facility.

Mr. SAYLOR. I would like to ask one other question of the gentleman. It seems to some people that these two areas are tremendously removed one from the other. Yet, if you look at a relief map of the western part of the United States, the tributaries of the Columbia River and of the Colorado River at one point are approximately 100 miles apart. Is that not correct?

Mr. ULLMAN. It is certainly correct.

Mr. SAYLOR. This indicates there is a real possibility, since the bill now calls for diversion of the tributaries of the Colorado River, of some real danger to the folks in the Pacific Northwest.

Mr. HOSMER. Mr. Chairman, will the genleman yield?

Mr. ULLMAN. I will be glad to if I have any time left.

Mr. HOSMER. I heard the gentleman in the well and the other gentleman from the Northwest constantly reiterate how they would like to see the central Arizona project only. But what about this situation? Arizona is not drinking something different, from a different well, than other neighbors of hers. Are her other neighbors as much entitled as she is to consideration when it comes to trying to cope with this water shortage?

The CHAIRMAN. The time of the gentleman has expired.

Mr. SAYLOR. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. ULLMAN I want to say here that the bill that was passed in the other body under the leadership of the distinguished gentleman from Arizona, the dean of the Senate, is the bill that we should rightfully pass here today if we are to follow a sound reclamation concept. What I am urging my colleagues here to do is to strip this bill of its appendages and get it back into the form where it will put the water on the land in Arizona. Then I will be happy to join in the separate consideration of the long-range water problems of the Southwest.

Mr. HOSMER. We all drink out of the same well.

Mr. ULLMAN. And to support the kind of study and procedures that will allow the House to come to a conclusion on this important problem of water supplementation. That should be considered separately under orderly procedures.

Water diversion studies involving interbasin and interstate transfers should be considered by Congress completely

separate from the proposed authorization of the central Arizona project.

To do any less is to relegate the interests of other regions to that of the Southwest. The purpose of the feasibility study called for in the bill is clearly apparent. It is to enhance the water supply of the Colorado Basin and to enhance the feasibility of projects in that region. It is our responsibility to see that such studies are made, instead, in an aura of objectivity, in a spirit of impartial concern with the water problems of every region.

I ask the Members of this House to reflect on the implications this legislative innovation may hold for their own regions, and I hope you will join me in opposing title II of H.R. 3300 and in supporting instead reasonable, separate and objective studies of this volatile issue.

I turn now, Mr. Chairman, to the true "Trojan horse" of this episode.

We have all heard the soothing assurances that the assumption of the Mexican Water Treaty as a national obligation is not a commitment for expenditure of Federal funds. I submit that it can be interpreted no other way.

To put this issue in proper perspective, it must be clearly understood first that the Colorado Basin States were not deprived of water by this treaty. Mexico had an entitlement, and the treaty formalized that entitlement. The entitlement was not to unspecified waters from anywhere in the United States, but to water from the Colorado River.

The assumption of this obligation by the United States means that the American people will have a moral obligation to pay whatever costs are required to obtain water from other sources and to deliver it into the Colorado River system. Under the terms of this legislation, the obligation would be assumed without any valid estimate of costs. The obligation would be assumed without any advance knowledge that water can be secured from other sources without doing damage to the area of origin.

The record is not completely vacant, however. We do have the words of the Commissioner of Reclamation in his testimony of last year before the Interior Committee. In answer to a question on potential costs of diverting water from the Columbia River to the Colorado Basin, Commissioner Dominy said—and you will find this on page 897 of the hearing record:

> It looks like it could well cost $125 to $150 an acre foot to transport it 1200 miles because of the extra length and extra pumping head to move it from the Columbia.

Section 201 of H.R. 3300 calls for studies of importation works of 2½ million acre-feet. At $150 per acre-foot, it would cost $375 million yearly, or almost $19 billion over the 50-year life of the project.

We would be assuming an obligation to perform this monumental task without regard to financial or economic feasibility. In effect, we will be agreeing to do it at any and all costs.

It is no secret, Mr. Chairman, that this feature of the bill is seen by the proponents as the base upon which incremental water importation can be made at costs far lower than those assumed by the United States in providing the initial importation works. Without the nonreimbursable Mexican Treaty provision, it is almost inconceivable that expensive, massive diversion works will ever be constructed—or will ever be needed in view of advances being made in desalinization and other techniques. But once the Congress has authorized diversion works to meet the treaty obligation, the temptation to enlarge the facilities at slight incremental costs will be overpowering.

It is my earnest hope that this House will vote to remove section 401 so that we can legitimately consider this problem in its proper context, and when more facts are known about costs and alternatives.

This is no time to vote a blank check on the Federal Treasury.

Finally, Mr. Chairman, I want to make it clear once again that I favor studies of means to solve the water problem of the Southwest, but only under circumstances that will assure impartiality and will conform to the usual standards of reclamation law and practice. The study provisions of this bill are, like the provision for assuming the financial responsibility for the Mexican Water Treaty, totally unacceptable.

I ask that you vote to recommit this bill to purge it of these gargantuan and far-reaching provisions. If we are successful in that, then I hope you will join in voting for the central Arizona project authorization so that the good people of that region can get on with the task of developing their water resources.

If we are not successful in recommitting the bill, then in all fairness it should be rejected, and the truth should be made abundantly clear—the central Arizona project was the victim only of those who heaped its burden too high.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, at the outset let me say that I am proud of this Committee and of the Members of this House. As I have sat here and listened to this debate today and recognized the different interests we represent, it has come to me that we have a great procedure for legislating. I think Committee debate has been at its very finest. I know those of us who may differ with others—for example, I with the chairman of this great Committee on Interior and Insular Affairs—respect those who have differing views. I just want to say for one that I think the record we are writing here will certainly transcribe into legislative language a background of a very argument expressed by both sides of the controversy without rancor and with great reason.

As I say, today I am proud of this body and the way it has carried out its important function.

Mr. Chairman, I rise in opposition to H.R. 3300, the Colorado River Basin project, in its present form. However, I support the authorization of one of its features, the central Arizona project, which would enable the people of the State of Arizona to use their entitlement of 2.8 million acre-feet of Colorado River water as adjudicated by the Supreme Court of the United States. The project meets the criteria and policies of the Interior Committee for Federal water resource developments, and considered on its own merits, it warrants early congressional approval.

But, while providing proper provisions for one area, this bill jeopardizes many other river basins of the Nation, and this must not be permitted.

To me, one of the objectionable provisions of this bill is found in title II. The purpose of title II is to authorize the Secretary of the Interior to engage in investigations and studies of the means of augmenting the water resources of the Colorado River, including interbasin transfers and the preparation of reconnaissance and feasibility reports thereon. This duplicates already existing authority as contained in the Water Resources Planning Act, but above this, it is the National Water Commission which is the appropriate entity to undertake an evaluation of basic issues relative to the Colorado River water supply problems.

And, Mr. Chairman, this title of the bill sets a dangerous precedent by providing money on a nonreimbursable basis for this project. I might add that it is unthinkable to me, in these times of fiscal pressures, that we should support an open-end authorization which has no more than an estimated figure, and I might add, too, that we are talking of a project which ultimately could cost as much as $10 to $30 billion.

The point is, Mr. Chairman, that as this bill stands, with its unthinkable high cost, no river basin in the Nation would be safe from being tapped as a source of water for the Colorado River.

I might add, Mr. Chairman, that I oppose the provisions of section 202 of H.R. 3300 which would make the satisfaction of the requirements of the Mexican Water Treaty a national obligation. The burden of the treaty should remain in the Colorado River, and not be shifted to other parts of the country at the expense of the people of the United States.

The provision to make the satisfaction of the Mexican Water Treaty a national obligation is an attempt by the Southwest supporters of this bill to get 2,500,000 acre-feet of water delivered annually to their doorstep free of cost to them without regard for the areas from which the water might be taken and with the Federal Government footing the bill. The rights of Mexico are to a portion of the Colorado flow, not the Missouri, Columbia, Hudson, or any other river. If they are excessive, then I believe the treaty should be renegotiated; not rob other areas to solve the problem.

Mr. Chairman, I think if title II is eliminated from H.R. 3300, I can support the central Arizona project authorization, for only in this way can the Nation have sensible water resource planning. Otherwise, I certainly intend to vote against the bill, and I would urge others to do likewise.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. PELLY. I yield to the gentleman from California.

Mr. HOSMER. We, like the other gentlemen from the Pacific Northwest, again reiterate the fact that trying to take care of Arizona and build the project is necessary, but they do not want to do anything about the other States along the river. And, as I said before, we are all drinking out of the same well which is now going dry. Why should we not all receive equal consideration?

Mr. PELLY. We do not want these stones in the well that gives us water to be less than we need. I say to the gentleman that we have had his support in the past and we have appreciated it. But without rancor or recrimination I urge the gentleman to consider our position in the Northwest as, for instance, in the State of Washington alone, we have 1 million acres of arid land which we would like to make use of but have not been able to do so because as yet it is not developed. We must protect this 1 million acres for the production of food and fiber in the future.

Mr. SAYLOR. I say to my colleague, the gentleman from Washington [Mr. PELLY], that I commend the gentleman on his statement and I would like to remind my friend, the gentleman from California [Mr. HOSMER], who was talking about drinking out of the same well, that when the State of California came in and asked for their projects they never were called upon by the Congress to assume any of the burdens or responsibilities that they now want Arizona to assume. I think it is utterly unfair.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. SAYLOR. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Iowa [Mr. KYL].

Mr. KYL. Mr. Chairman, I recognize the need for bringing more water to the State of Arizona. I recognize the substance contained in the statement, that water is worth what you have to pay to get it.

Mr. Chairman, I signed the minority report. I hope some amendments will be adopted to this bill. Such amendments may satisfy my objections and therefore before the amending process starts, I want to clarify my position. My only son is a member of an esteemed law firm, which has been actively engaged in the promotion of the central Arizona project. That involvement is on record. Lest there be some implication or inference, on final passage of this bill, I shall vote "present."

I thank the gentleman from Pennsylvania for yielding this time to me.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Idaho [Mr. HANSEN], a member of the committee.

Mr. HALEY. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Sixty-two Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 140]

Ayres	Griffin	Moss
Biester	Gurney	Olsen
Broomfield	Halleck	O'Neill, Mass.
Burleson	Hanley	Pool
Carter	Hardy	Purcell
Cederberg	Hébert	Randall
Clark	Holland	Resnick
Collier	Karsten	Rivers
Dawson	Kee	Rosenthal
Diggs	Kelly	Selden
Dorn	Long, Md.	Teague, Tex.
Everett	MacGregor	Tenzer
Evins, Tenn.	Mailliard	Wilson,
Flood	Montgomery	Charles H.
Fraser	Moore	Young
Frelinghuysen	Morse, Mass.	

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PRICE of Illinois) having assumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 3300, and finding itself without a quorum, he had directed the roll to be called, when 386 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. At the time of the quorum call, the gentleman from California had yielded 5 minutes to the gentleman from Idaho [Mr. HANSEN].

Mr. HANSEN of Idaho. Mr. Chairman, we have heard a lot of speeches today so I plan to take this time to clarify a few items. I would like to ask the chairman of the full committee or one of the proponents of the bill to respond to some questions.

Mr. Chairman, with regard to this legislation there is a provision designed to allow any State to reject proposals for transfer of water if they feel it is not in their best interest to allow this water to be exported from their State.

Does the gentleman from Colorado envision any pressure being placed upon the chief executive or the water commission or board of any particular State in such manner as to prejudice against future Federal reclamation projects if they do not go along with some sort of water transfer program?

Mr. ASPINALL. Mr. Chairman, if the gentleman will yield, I do not envision such pressure being placed upon the Governor or the authorities in charge of these programs. Insofar as I personally am concerned, I would look at it with a great deal of criticism, any attempt to force the Governor or the State authorities to enter into any agreements with reference to water that would be adverse to their interest.

Mr. HANSEN of Idaho. Might I ask the gentleman further if he speaks for himself or if he speaks for members of the committee and administrators of the Department of the Interior and the Bureau of Reclamation who can create pressures in their dealings with such States regarding the development of their water resources?

Mr. ASPINALL. I cannot speak for the committee. I cannot speak for the present Department of the Interior. The gentleman knows full well that I cannot speak for a future Congress a full decade from now. I say this because I do not believe that the procedures under which we operate would be used in order to bring about the creation of such a situation.

Mr. HANSEN of Idaho. But there is really no assurance, except upon an individual basis with those people concerned that this so-called pressure may not exist or be brought to bear?

Mr. ASPINALL. Mr. Chairman, if the gentleman will yield further, the only thing this Congress can do is to write its own legislative history. I could not speak for the next Congress and most certainly in the last few years it has been shown that a Congress could not speak for an administration on how this would operate. All I can do is to attempt to allay the fear of the gentleman from Idaho through stating that there is not going to be any invasion of the water rights of his State and its welfare, as a result of this committee's action.

Mr. HANSEN of Idaho. Mr. Chairman, I thank the gentleman from Colorado and desire to ask further questions on another topic.

The second major item of concern, Mr. Chairman, would include the assumption of obligation of the Mexican Water Treaty by the taxpayers or by the citizens of the United States rather than the States of the Colorado River Basin. With the assumption of this obligation by the United States as a whole, is this not to presume that—even though it has been stated many times that there is no money authorized in the legislation today—that there would be the possibility or the probability of a request for funds as soon as it is decided that there is some way to augment the flow of the Colorado which is the aim of this legislation?

Mr. ASPINALL. If my colleague will yield further, I would simply state this, That it all depends on the study, and if the study indicates a feasibility and if the Federal Government should assume its responsibility in regard to 2.5 million acre-feet, which is the Mexican water burden, and the users along the Colorado River would assume their responsibilities to repay the costs of the 1 million acre-feet, which would be their portion, and the feasibility would be certainly at least 1 to 1, then I would say to my friend that we might look for some kind of project being suggested some time in the next 6 or 8 years, or further on by the Congress of the United States.

But at that time the Congress would be the one to approve or disapprove the project.

Mr. HANSEN of Idaho. Would the gentleman say that the legislation before us today would provide that the Mexican Water Treaty obligation is shifted, period?

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. SAYLOR. Mr. Chairman, I yield 2 additional minutes to the gentleman from Idaho [Mr. HANSEN].

Mr. HANSEN of Idaho. I thank the gentleman for the additional time.

Mr. Chairman, I would ask the gentleman, would this not mean, then, that there does have to be some method provided to satisfy the Mexican Water Treaty obligation by the country as a whole, and there would be some expense somewhere?

Mr. ASPINALL. At the present time there is a question in the minds of many people as to possibly where this burden lies, but it is a fact that if the water is in the river, and Mexico is entitled to 1.5 million acre-feet of water, then the river is going to furnish that. That is a practical explanation of the present situation.

Now, if the National Government assumes this responsibility, as it has on other areas, in the Columbia River Basin, and the Rio Grande River Basin, and it has partially in this river basin, then I would say that the responsibility and expense has shifted, but this also depends upon the feasibility study.

Mr. HANSEN of Idaho. Is the gentleman saying that there is no shift of obligation until such feasibility studies are completed, and you come back to the Congress with recommended measures, and appropriate money to take care of the project?

Mr. ASPINALL. Exactly; but I say that, with the gentleman's permission, that there is a statement of policy that the Colorado River Basin has to receive the same treatment in the consideration of treaty obligations as any other river basin in the United States.

Mr. HANSEN of Idaho. I thank the gentleman.

Mr. Chairman, it is quite obvious that the Governor's veto provisions are not adequate and do not guarantee that a State can exercise free choice without possible pressures and reprisal on the part of Federal officials. It is further obvious that future costs are inevitable and indeterminable with regard to the shift of the Mexican Treaty obligation to the Federal Government, with accompanying feasibility studies for water augmentation in the Colorado Basin.

Mr. Chairman, I have long advocated proper development and use of our natural resources so that our country might grow and progress and serve the ever-increasing needs and desires of the people of this great Nation.

Early in my time in the Congress, I went on record in this matter with the following statement:

WASHINGTON, D.C., August 19, 1965.—Recent hearings by the Irrigation and Reclamation Subcommittee, of which I am a member, have again pointed up the necessity for maintaining a constant vigil over the waters of the Snake River and the Columbia Basin. In view of this, I have called for open and long range planning by the Department of the Interior, and also for an open declaration of its intention in connection with various water projects which it is proposing.

The latest indication that the Bureau of Reclamation is at least considering transferring water from one basin to another came during hearings on the Southern Nevada Water Project. In this particular case, there appears to be more project than available water and a witness from the Bureau of Reclamation, Mr. D. C. McCarthy, was taken to task by Rep. John P. Saylor (R-Penn) on the future intentions of the Bureau. Following is a part of the colloquy between the two, which I believe to be very interesting and illuminating.

"Mr. MCCARTHY. We, of course, expect within the next 20 to 25 years there will be a means of increasing the water supply for the Colorado River. If there is not, then the whole area faces a dismal future.

"Mr. SAYLOR. Come on, tell the rest of it.

"Mr. MCCARTHY. I do not think there is any more to tell, sir.

"Mr. SAYLOR. You might as well admit you have your eye on the water in California—North California—and you have your eye on the water up in the Columbia Basin. These are the places you are going to try to put the water in the Colorado from.

"Mr. MCCARTHY. We recognize there will be a shortage of water in the entire Colorado River Basin. Where we are going to get it requires a lot more investigation and study."

Following this exchange, and because of its implications, I then made the following statement:

"Mr. HANSEN. I think there have been some important things brought out today in this examination which we should certainly keep an eye on. This especially applies to policies and development of water, particularly as they relate to efforts and desires of the Department of the Interior and the Bureau of Reclamation. I think it is important for us to get these figures straight so we know where the water is coming from and if there is sufficient water. If water is to be brought from other areas, we should know how, when, and how much."

I think the examination today has shown without doubt that there is a water problem in the Colorado River area. Certainly it is going to be vitally necessary for us to make a good, long objective study of this. We cannot encourage piecemeal projects which have not taken into account our overall water picture and comprehensive future needs and naively hope they will work themsleves out in 100 years.

Soon after I issued this further statement bearing in the matter of comprehensive development of our water resources:

Current hearings before the House Committee on Interior and Insular Affairs, of which I am a member, have disclosed a dire threat to Idaho's future water. The hearings—on the Lower Colorado Basin project—have revealed that water for the project in the immediate future would come from the Upper Colorado Basin—but that the Upper Colorado Basin could reclaim the water should it be needed in the future, or it would be replaced by imported water. Implied is the intention of the Bureau of Reclamation to get future water—imported water—from the Columbia River Basin, of which the Snake River is a part.

Because of this, I have written to the Bureau of Reclamation asking that a full and complete study of present and future water needs and resources be made in the Western States. I have asked that this study include wastage of water in the Colorado Basin; reclaiming of water in the Basin; desalinization of sea water; and sources of additional water within, or adjacent to, the Basin—including the millions of acre feet of water flowing into the sea each year from Northern California.

It is also vitally important that Idaho be given the opportunity to completely assess her resources and needs, which can be done properly through the Idaho State Department of Reclamation with the assistance of organizations such as the newly-created State Water Resource Board and the Idaho State Reclamation Association.

In Committee I shall insist that no action be taken on authorization of the Lower Colorado Basin project unless it can be demonstrated that it can stand by itself, or until such time as reports are received on these studies absolutely proving that a surplus exists—and then that it be authorized only if Idaho receives adequate assurance of protection of area of origin so that its usable water, present and future, is not placed in jeopardy. I shall also insist that all possible sources of water available to both the Upper and the Lower Colorado Basins are exhausted before any water—from any outside source—is imported into these areas.

The following year I again issued a statement on the progress of water development as pertaining to the central Arizona project when it was before the 89th Congress:

WASHINGTON, D.C., September 15, 1966.—As reported last week, the Lower Colorado Basin Bill is dead for this Congress. This stoppage, even though proponents will try to revive it during the next Congress, gives the states of the Pacific Northwest added valuable time in which to inaugurate and complete studies of their own water resources and future needs. This is essential in that it is these states that would most likely have been called upon to furnish large quantities of water for the Southwest under terms of the bill.

In this respect, Senator Len B. Jordan and I have introduced legislation calling for the Southeast Idaho Water project; and the entire Idaho Congressional Delegation has introduced legislation for the Southwest Idaho Water project.

The Southeast proposal provides for supplying new and supplemental irrigation water to Idaho lands through Lynn Crandall dam, recharge of the underground waters in the Snake River plains, construction of a two-dam project on the Wood River and low head dams below Thousand Springs to create slack water for pump back and re-use. As advanced, the project would include an analysis of the economics and hydrology of each unit.

The Southwest proposal calls for a four-divisioned project encompassing an area of about 15,500 square miles and spread across eleven Southwestern Idaho counties. It would provide full irrigation water to nearly a half-million acres of new land and supplemental water for 62,000 acres now inadequately irrigated.

The demise of the Lower Colorado Basin project is especially heartening news to proponents of the Southeast and Southwest Idaho Water Development projects who have been and are diligently working to gain early feasibility reports on them.

On the weekend of August 26th, Senator Jordan, Senator Church and I—together with representatives of the Corps of Army Engineers and the Department of the Interior—toured the Snake River by boat from the Swan Valley bridge to the proposed Lynn Crandall dam site, some twenty miles downstream, viewing possible reclamation and flood control sites. The trip was rewarding and informative.

On September 8 the Department of the Interior announced that it has approved a feasibility report on developing initial phases of the Southwest project, including the Mountain Home Division and two units of the Garden Valley Division. On September 9 public hearings were held in Boise on the project. Rep. Walter Rogers (D-Tex.), chairman of the Irrigation and Reclamation Subcommittee of the Interior Committee, conducted the hearings, with several other Congressmen from the subcommittee attending.

No "big news" came either from the reconnaissance trip down the Snake or from the hearings, but they are vital steps toward gaining favorable congressional action. When these projects, together with similar projects in Oregon and Washington, are approved, then the states of the Pacific Northwest will have gained added assurance that they will have water in perpetuity to meet their needs.

Now this year we are again faced with the central Arizona project along with the full-scale treatment of the Colorado Basin water problems as they have been added through compromise and deliberation among the Colorado States and before the Committee on Interior and

Insular Affairs. My statements on this matter are clear:

WASHINGTON, D.C., April 11, 1968.—Probably the biggest problem with which we have had to cope the last few days in the House Committee on Interior and Insular Affairs was the Colorado River Project, or the Central Arizona Project as it is commonly known. Instead of just trying to take care of the Central Arizona Project, as was originally intended, this bill tries to solve all of the problems of the entire Colorado River Basin—not only for today, but for generations to come.

The most objectionable—and dangerous—section of the bill would transfer to the United States as a whole the obligation of the seven Colorado River Basin states to furnish one and one-half million acre feet of water annually to Mexico as provided for in the United States-Mexican Water Treaty of 1944. The bill anticipates that the flow of the Colorado River must be augmented by that amount, plus an additional 300,000 acre feet for evaporation. But it makes no mention of how the augmentation shall be accomplished.

There are several ways in which this could be done. Weather modification is one, desalination of sea water is another. But, as Congressman John Saylor of Pennsylvania, the ranking Republican on the Interior Committee recently said to me, "I might say to you, who come from Idaho, that one of the places they are looking for water with a very jaundiced eye is the Pacific Northwest."

The Department of the Interior has said that they have made no studies of the cost of diverting water from the Pacific Northwest to the Colorado River Basin. But it was stated in Committee by qualified experts that such diversion would cost $2½ billion to $4 billion—or more—for the necessary 1.8 million acre feet annually. Then, after breaching the dyke and allowing a trickle of Pacific Northwest water to flow to the Southwest, it would cost very little more for the Colorado Basin states to increase the trickle to a torrent—6.7 million acre feet a year is the figure most often mentioned.

This is the real threat. If the plans and schemes of the Colorado River Basin states are realized, up to 8.5 million acre feet of water could be irretrievably lost to the Pacific Northwest. Our chance to defeat this water grab will come when the bill reaches the floor of the House for vote.

Rep. Wayne Aspinall (D-Colo), Chairman of the House Interior Committee, has conceded that he will have a hard time getting the bill through in its present form. And Rep. Saylor, a 20-year veteran of the House, and an extremely capable legislator, has pledged a "real effort" to get Section 302, the Mexican Water Treaty transfer, out of the bill. He told me that, with the section in the bill, "I don't see how anybody from other than any of the seven basin states could possibly support it."

WASHINGTON, D.C., May 9, 1968—The Colorado River Project Bill, now before the Congress, is a devious and tricky method of increasing the available water in the Colorado River—very possibly at the expense of Idaho and the Pacific Northwest—with the cost to be underwritten by the taxpayers of the whole country.

Going back a bit into the history of the Colorado River, in 1922 the seven states of the Colorado River Basin signed a compact governing the use of the river's water. At that time they knew that the Republic of Mexico was using, and was entitled to use, water from the river. As a matter of fact, discussions of water for Mexico occupied a prominent part in the negotiations for the compact. Then, in 1944, the Mexican Water Treaty was ratified, assuring to Mexico 1.5 million acre-feet of water a year.

Now the Basin States want to shift the responsibility for Mexico's quota from themselves to the rest of the United States. If this were done, the flow of the Colorado would have to be increased by the 1.5 million acre-feet allocated to Mexico, plus an additional 300 thousand acre-feet to allow for evaporation. And, inasmuch as it would be a national responsibility, the taxpayers of the entire United States would pay for the cost of the procurement of the increased water flow.

The threat to Idaho and the Pacific Northwest is that the Southwestern States are looking to our area as the most logical source for the water with which to increase the flow of the Colorado. And, realistically, the original transfer of 1.8 million feet to satisfy Mexico's claim, at an estimated cost to the U.S. taxpayer of 2½ to 4 billion dollars, would just be a foot in the door. It would then be possible for the Basin States to increase the flow from a trickle to a torrent at relatively little expense to themselves. They speak now of an additional 6.7 million feet—a figure that could, and probably would, be increased greatly.

Obviously, the transfer of responsibility under the Mexican Water Treaty is a thinly-disguised pretext, but a pretext that would result in an immediate windfall of 1.5 million acre-feet of water for the seven Basin States—plus what they could later acquire.

I have great sympathy for the people of the State of Arizona in this matter. The Central Arizona Project, which is a part of the bill—and which would give to Arizona what is rightfully hers by virtue of a decision of the Supreme Court—would be no problem if it were to be considered by itself. It should not be tied in with the scheming water grab which the Colorado River Project would authorize. Unfortunately, acceptance of the Colorado Project is the price the other Basin States are forcing Arizona to pay in order to obtain their support for the CAP.

It is possible that the Colorado River Project will die, as it did last year, in the House Rules Committee. However, should it reach the House for vote, I am confident that, with its drastic and far-reaching proposals fully explained, the House of Representatives will not allow the responsibilities of seven states to be foisted on the entire country.

The following statement further illuminates this situation:

H.R. 3300—THE COLORADO RIVER BILL

The central feature of the Colorado River Basin Bill, the Central Arizona Project is a worthy project, of economic feasibility and in the tradition of sound reclamation development.

However, two other provisions which have been added make H.R. 3300 highly objectionable.

In particular they imply an immense *federal expenditure* and an unusual abandonment of congressional authority and responsibility.

1. One provision of Section 401 provides that "Costs of construction, operation and maintenance allocated to the replenishment . . . of Colorado River flows . . . *shall be nonreimbursable.*" The effect of this language, when taken together with language found in Title II of the bill, is to commit the Federal Government to construct a massive public works project—probably consisting of pumps, canals and reservoirs to import water or a desalting project—capable of increasing the flow of the Colorado River by 2½ million acre-feet per year.

The cost of constructing this project would be "nonreimbursable" or, in other words, it would be built at federal expense.

The cost of replacing water delivered to Mexico has been estimated at *$8 billion dollars.* And these costs do not reflect interest charges.

Congress *should not* make a legislative commitment of this nature until it has weighed and evaluated all of the facts and all of the costs involved. At present, no studies have been made of any of the relevant questions such as where the water would come from, what it would cost, etc. Congress should reserve a decision on assuming an obligation of this magnitude until the appropriate information is available.

2. The second objectionable feature of the bill is found in Title II. Title II directs the Secretary of the Interior to prepare reconnaissance and feasibility plans for increasing the flow of the Colorado River by 2½ million acre-feet per year.

Contrary to existing law and policy, the Secretary is directed to proceed immediately from a reconnaissance grade study to a preconstruction feasibility plan. As a result the Congress is denied an opportunity to review and evaluate the reconnaissance plan before the feasibility study is authorized. This creates an unwarranted exception to Section 8 of the Federal Water Project Recreation Act and procedures normally followed by the Committee and the Congress.

This is the first time an exception has been made to the Act and normal procedures. It constitutes an abdication of Congressional responsibility to evaluate water resource projects by the executive branch *before* authorizing detailed preconstruction feasibility studies.

It is unwise as a matter of principle.

It is irresponsible as a matter of economics, because the project which will ultimately be proposed may cost as much as $10 to $30 billion. Furthermore, it is unnecessary because no water shortage will occur for more than 30 years.

H.R. 3300 should me amended to remove these two features from the bill. If this is done, the Central Arizona Project and the other projects which would be authorized by H.R. 3300 may proceed. It should be pointed out that the cost of these proposed projects alone is $1.3 billion. This is a large authorization at a time when we are all conscious of the pressures for economy. Yet this is a justified authorization.

The bill should not, however, be adopted if the provisions discussed here are not deleted. They were not recommended by the Administration when the basic legislation was transmitted to the Congress. They were not included in the Senate passed bill to authorize the Central Arizona Project.

Attention is directed to the "additional separate and dissenting view" at pages 162–170 of the Report on H.R. 3300 (Report No. 1312) for a more detailed discussion.

Mr. Chairman, the central Arizona project, an irrigation development long awaited by the State of Arizona, itself is worthy of support.

But it is essential to critically examine two particular features of H.R. 3300, the Colorado River Basin project bill, which are different from the measure as passed by the Senate and which are not in agreement, with the Department of Interior's position:

First. The Mexican Water Treaty provision is contrary to existing law and is without precedent. It also implies a potential cost to the taxpayers of inestimable billions of dollars and is like writing a blank check on the Federal Treasury.

Second. The provision for a Department of the Interior feasibility study flagrantly disregards existing law and is an improper and unbridled delegation of congressional authority and responsibility to an executive agency.

Both of these troublesome features can and should be removed from H.R. 3300. Neither is essential to the authorizing of the central Arizona project.

I hope this body will eliminate these highly objectionable and extremely controversial and costly features from H.R. 3300 to make it an acceptable piece of legislation.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from New Mexico [Mr. MORRIS].

Mr. MORRIS of New Mexico. Mr. Chairman, I hope that the House will act favorably today on this bill to authorize the Colorado River Basin project. I believe it is projects such as this that represent the best investment that we could possibly make in the economic future of our Nation. I personally am concerned at the tendency to place greater emphasis on some of the newer, more glamorous domestic programs and neglect the programs basic to the development and preservation of our great natural resources.

It is not generally appreciated that of the total reclamation investment, for example, 89 percent is repayable and is being repaid, a good share of it with interest. I know of no other Federal investment in our natural resources that can show such a return. Only the investment charged to purposes which, by national policy, are nonreimbursable, is not repaid. Since the reclamation program was initiated back in 1902, we have expended about $5.5 billion on Federal reclamation projects. This incidentally, as you know, represents only about one year's expenditure under the space program. These reclamation projects are now furnishing water to over 9 million acres of land and producing more than 150 different crops with a gross crop value of about $1.5 billion annually. It is estimated that income taxes generated by these reclamation projects during the last 25 years alone, have exceeded the total of Federal investment in the projects.

The benefits that have accrued from other aspects of our water resource development are equally startling. For a relatively small public investment, large investments have resulted in the private sector. For example, it is estimated that since 1952, about $131.5 billion has been invested in industrial production facilities at water-oriented sites. Yet the Nations' total capital investment in all navigation work to date by the Corps of Engineers, including our harbors and inland waterways, is less than $5 billion. This represents a pretty good investment ratio of more than 26 to 1. It is estimated that the Federal flood control investment of $5 billion to date by the corps has already saved an estimated $15.8 billion in damages. Storage in the reservoirs constructed by the Corps of Engineers and the Bureau of Reclamation now furnishes about 2 billion gallons of municipal and industrial water to over 14 million people annually. And there are many other valuable benefits accruing from these projects, such as power generation and recreation.

It is interesting to note that these great benefits which have accrued to date from these projects constructed by the Corps of Engineers resulted from an investment of only about $20 billion since the Corps of Engineers was founded in 1824, or only about one-fourth of what we will spend on national defense in the next fiscal year.

Although we have accomplished a great deal to date in the water resource development of our country, the job facing us in the years ahead is of tremendous magnitude and complexity. We must not stop now in providing the essential authorizations required to meet the critical water resources needs facing many areas of the country.

It is estimated, with the population explosion and rising standard of living, that the daily water requirements of the next generation may approximate a trillion gallons compared to the present daily level of 400 billion gallons. Since the supply cannot be significantly increased, every possible means will have to be employed to conserve and use water wisely. No area of our country will escape water resource problems in the future, whether it be flood control, drought, pollution control, industrial and municipal water shortages, navigation, and so forth.

I feel that there is no alternative to providing the necessary authorization for the construction of essential water resource projects which after review have been found to be economically feasible.

Certainly the Colorado River Basin project is urgently needed by the region to augment its inadequate water supply and the plan, as recommended by the committee, is feasible and economically well justified. Over 86 percent of the project cost will be repaid over a 50-year period.

Mr. Chairman, I strongly support this authorization and hope it will be favorably acted upon by the House.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. LLOYD].

Mr. LLOYD. Mr. Chairman, representing a State whose cultivated lands represent only 4 percent of its total land area carries with it the responsibility to communicate to my colleagues in the Congress the urgency of adopting responsible legislation to put to beneficial use the existing water resources of this vast land with such great potential benefit to all America.

Two authorizations in this Colorado River Basin project bill directly affect my State and district. The first is the Uintah, or first unit of the ultimate phase of the central Utah project, which will make possible the continued industrial and population growth of much of central and north central Utah where the greater part of our population now resides and which future population projections reveal to be dependent upon water from the Colorado River. The Dixie project, near Utah's semitropical southern boundary, will make possible industrial, population, and agricultural development in a wonderfully scenic land, with attractive climate, and geographically adjacent to the southern California, Salt Lake City and other markets. These projects of course are to be substantially repaid by the users of water and other services of the projects, and ad valorem taxes to be paid by local residents.

There are many solid arguments for the first of these authorizations—the Uintah unit of the central Utah. I want to emphasize the need for municipal and industrial use in Utah's urban areas.

POPULATION GROWTH OF SALT LAKE COUNTY AND WASATCH FRONT

The population of Utah today is a little over 1 million, but Utah ranks fifth among the 10 fastest growing States in the Nation, percentagewise, according to a population projection study by U.S. News & World Report, based on official data from the U.S. Census Bureau. The study revealed that the percent of Utah's population growth between 1966 and 1980—30.1 percent—will be exceeded only by Arizona, Florida, New Mexico, and California. A more recent study on population projections conducted by the Bureau of Economic and Business Research, University of Utah, predicts an even faster rate of growth than the U.S. News & World Report projections anticipated. The first projection estimated a population in Utah of 1,311,000 by the year 1980, as compared to about 1 million today. The University of Utah projections estimate the population at 1,446,800 by 1980, a difference of 135,800.

Over 76 percent of the State's entire population is concentrated in the "Wasatch front," the industrial counties of Salt Lake, Utah, Davis, and Weber, with over 44 percent living in Salt Lake County alone. Population projections based on the scientific studies by the bureau of economic and business research show that in little over 50 years, by the year 2020, the State will have a total population of 2,675,000, an increase of over 265 percent. Of that number, 1,310,000, or nearly 49 percent, will be located in Salt Lake County, with Weber, Davis, and Utah Counties each containing over 11 percent of the State's total population. That is, provided water is available for municipal and industrial growth—water which must be provided by the central Utah project now under construction with additional and essential authorizations provided by this bill.

ECONOMIC AND INDUSTRIAL GROWTH OF SALT LAKE COUNTY AND THE WASATCH FRONT

Studies based on official data from the U.S. Census Bureau show that Wasatch front counties which make up the intermountain West's major urban and industrial center, are also experiencing phenomenal economic and industrial growth, a growth which will be stopped in the absence of newly developed water supplies from the Colorado River.

Among the major standard metropolitan areas of the Nation, during the decade 1954-63, this area ranked: sixth in percent increase—64 percent—in employees in manufacturing, eighth in percent increase—70.6 percent—in growth of retail sales, 10th in percent increase—54.9 percent—in value added by manufacturing, 16th in percent increase—93.1 percent—in effective buying income, 19th in percent increase—40.4 percent—in service receipts, and 28th in percent increase—23.7 percent—in wholesale sales.

The National Planning Associates economic and demographic projections for 224 metropolitan areas predict that between 1962 and 1975, the total civilian employment of the Wasatch front area will increase at an average annual rate of 2.9 percent, compared with 1.8 percent for the United States, and 2.2 percent for the Mountain States. During the same period, personal income is expected to increase by 4.7 percent annually in the Wasatch front area, compared to 4.2 percent for the United States, and 4.6 percent for the Mountain States.

In Salt Lake County alone, total employment has increased from 119,350 jobs in 1952 to 179,670 in 1965. The University of Utah Bureau of Economic and Business Research, in its population projections for Utah and Utah's counties, noted of Salt Lake County:

The explanation for the county's growth in population is economic opportunity. To illustrate, in the postwar period of 1952 to 1960, employment in the Salt Lake Metropolitan area increased at an average annual rate of 3.5 percent as against a growth rate for the state as a whole of only 2.2 percent for this period. With the exception of agriculture, which lost jobs in the 1952 to 1965 base period, and mining, which held fairly constant, all other categories had increasing employment. The most rapidly growing categories were manufacturing, services, finance, trade and government.

Salt Lake County's total personal income has risen from $544 million in 1954 to $1.3 billion in 1966. Wholesale and retail trade in 1965 accounted for over 22 percent of the wage and salary receipts in the county, while manufacturing accounted for over 19 percent; government, 17 percent: and services, 11 percent. Total personal income for Utah as a whole was $2.5 billion in 1966. Government accounted for over 30 percent of wage and salary receipts for the entire State, with manufacturing accounting for nearly 19 percent; wholesale and retail trade, 17 percent; and services, 10 percent.

The Wasatch front area is a leading steel-producing center in the West, with plants operated by the Geneva division of the United States Steel Corp. It is also the center of the largest nonferrous smelting area in the country, producing copper, gold, silver, lead, zinc, coal, salt, and other valuable metals and minerals. Oil, first discovered in Utah 20 years ago, has led to extensive oil and gas exploration in the area, and Salt Lake City is the refining center for major markets in the intermountain West.

The area is also home of large-scale defense-related activities, including Boeing Aircraft, Thiokol Chemical Corp., Litton Industries, Sperry, Hercules, Inc., and Montek. The Univac Computer Division of Sperry-Rand Corp. has announced its intention to establish a major computer production facility in the area. Additionally, Salt Lake County has been selected as one of 10 proposed site locations for the Sentinel missile system, which would employ between 400 and 700 persons. Military activities already established in the area include Hill Air Force Base, Tooele Army Depot, Defense Depot Ogden, and Dugway Proving Ground.

Salt Lake metropolitan areas rank sixth with other major metropolitan areas in percent of growth in employees in manufacturing.

Rank, city, and increase, 1954 to 1963

	Percent
1. Anaheim, Santa Ana, Garden Grove, Calif	513.3
2. San Jose, Calif	233.5
3. Sacramento, Calif	161.5
4. Phoenix, Ariz	159.5
5. Miami, Fla	77.8
6. Salt Lake City, Utah	64.0
7. Washington, D.C	63.2
8. Denver, Colo	61.3
9. Tampa, St. Petersburg, Fla	60.3
10. San Bernardino, Riverside, Ontario, Calif	57.3

Salt Lake metropolitan areas rank 10th with other major metropolitan areas in percent of growth in value of manufacture.

Rank, city, and increase 1954 to 1963

	Percent
1. Anaheim, Santa Ana, Garden Grove, Calif	280.3
2. Phoenix, Ariz	91.2
3. San Jose, Calif	88.1
4. Sacramento, Calif	80.7
5. Tampa, St. Petersburg, Fla	72.5
6. Washington, D.C	68.3
7. Denver, Colo	65.2
8. Atlanta, Ga	60.3
9. San Bernardino, Riverside, Ontario, Calif	58.9
10. Salt Lake City, Utah	54.9

Salt Lake metropolitan areas rank 8th with other major metropolitan areas in percent growth in retail sales.

Rank, city, and increase 1954 to 1963

	Percent
1. Anaheim, Santa Ana, Garden Grove, Calif	293.3
2. San Jose, Calif	163.4
3. Phoenix, Ariz	130.3
4. San Bernardino, Riverside, Ontario, Calif	107.0
5. Sacramento, Calif	91.8
6. Tampa, St. Petersburg, Fla	88.9
7. San Diego, Calif	75.8
8. Salt Lake City, Utah	70.6
9. Washington, D.C	67.9
10. Miami, Fla	66.5

PRESENT WATER SUPPLIES AND FUTURE NEEDS FOR SALT LAKE COUNTY

The U.S. Army Corps of Engineers, in a report on the Little Dell flood control project now pending authorization by Congress, noted:

Provision of an adequate municipal water supply to keep pace with the rapidly expanding population of Salt Lake City and its environs has been a continuing problem since the founding of the city in 1847. The supply available from convenient and inexpensive sources already has been developed. Supplemental supplies have become progressively more expensive owing to the necessary costs for storage, conveyance and treatment. The most recent substantial addition to the supply was obtained from the Federal Provo River Project by means of the 42-mile Salt Lake aqueduct completed in 1950. According to data available from the Metropolitan Water District of Salt Lake City, the domestic water requirements in the service area of that district will exceed the presently developed firm supply by about the year 1970. The predicted future requirements were based upon the rate of population growth in the service area, and a future average daily rate of water consumption of 220 gallons per capita. Further, there are some areas adjacent to the city, not presently serviced by the Metropolitan Water District, in which an urgent need for domestic water already exists.

The present dependable water supply for the area served by the metropolitan water district of Salt Lake City from existing sources is 93,600 acre-feet annually. Runoff from creeks accounts for 62 percent of the total supply, while water from Deer Creek Reservoir via the Salt Lake aqueduct accounts for 23 percent. The remaining 15 percent is obtained from wells and springs.

The annual water demand for the 368,000 persons presently served by the metropolitan water district is 88,300 acre-feet per year. Based on estimates contained in the Corps of Engineers report, shortages will begin to exist in 1971, when the population in the service area reaches 410,000. The annual water demand at that time is estimated to be 98,400 acre-feet, exceeding the existing supply by 4,800 acre-feet. As the population grows the shortage will continue to increase until by 1985, when the population in the service area reaches 575,000, an additional 44,400 acre-feet annually will be required just to meet human needs.

An independent study conducted for the metropolitan water district by Berger Associates, Inc., a consulting engineering firm in Salt Lake City, noted in a 1964 report:

Irrespective of whether the (population) forecast may be too high or too low, it is now apparent that an additional water supply for the Salt Lake Metropolitan Area will be needed by 1970 or possibly before that time. It is also apparent that the development of new sources of supply will continue to be needed at eight to fifteen year intervals after 1970—depending on the rate of population growth and the amount of water obtained from each new source of supply.

It should be noted at this point that the population estimates used in the 1964 study projected a population of 1,160,000 persons in Salt Lake County by the year 2020. The most recent projections by the Bureau of Economic and Business Research, University of Utah, estimates a population in Salt Lake County of 1,310,000 by the year 2020, or 150,000 more than the figure on which the Berger report was based.

PRESENT AND FUTURE WATER DEMAND

Calendar year	Population, Salt Lake City metropolitan water service area	Annual water demand (acre-feet)	Dependable water supply from existing sources (acre-feet)	Additional water required (acre-feet)
1960	277,000	66,500	93,600	0
1961	285,000	68,400	93,600	0
1962	292,000	70,100	93,600	0
1963	300,000	72,000	93,600	0
1964	310,000	74,400	93,600	0
1965	323,000	77,500	93,600	0
1966	337,000	80,900	93,600	0
1967	352,000	84,400	93,600	0
1968	368,000	88,300	93,600	0
1969	380,000	91,200	93,600	0
1970	390,000	93,600	93,600	0
1971	410,000	98,400	93,600	4,800
1972	422,000	101,300	93,600	7,700
1973	432,000	103,700	93,600	10,100
1974	442,000	106,100	93,600	12,500
1975	454,000	109,000	93,600	15,400
1976	465,000	111,600	93,600	18,000
1977	478,000	114,700	93,600	21,100
1978	491,000	117,800	93,600	24,200
1979	505,000	121,200	93,600	27,600
1980	520,000	124,800	93,600	31,200
1981	530,000	127,200	93,600	33,600
1982	540,000	129,600	93,600	36,000
1983	550,000	132,000	93,600	38,400
1984	562,000	134,900	93,600	41,300
1985	575,000	138,000	93,600	44,400

Source: U.S. Army Corps of Engineers.

Another study conducted by the U.S. Bureau of Reclamation in November 1967, shows that presently developed water supplies for all of Salt Lake County, including areas served by the Salt Lake Metropolitan Water District, the Salt Lake County Water Conservancy District, and smaller independent systems and wells is about 249,000 acre-feet annually. Authorities agree that by 1970, present supplies will become inadequate.

Estimates for municipal and industrial water for the entire county are contained in the following table prepared by the Bureau of Reclamation:

Year	Population	Industrial water required (acre-feet)	Municipal water required (acre-feet)	Total (acre-feet)
1960	383,000	117,000	77,000	194,000
1980	704,000	200,000	166,000	366,000
2000	1,044,000	322,000	275,000	597,000
2020	1,406,000	455,000	394,000	849,000

The Bureau's report stated:

The studies showed that the present water supply and existing facilities are adequate to meet the demands of Salt Lake County until 1969. Additional supplies would need to be developed to meet needs beyond that time.

The Bureau estimated that new developments already planned, including delivery of water to Salt Lake County from the Bonneville unit of the central Utah project beginning in 1972, some increased use of ground water, construction of local storage reservoirs to retain flood waters, and a gradual conversion of irrigation water to municipal and industrial purposes could meet the municipal water needs of the county up to the year 1966 and the industrial needs to the year 2016. Maximum supply from the Bonneville unit is dependent upon orderly development of the ultimate plan of the central Utah project, the first unit of which is authorized by this bill.

Water needs beyond that time depend on a completed and fully operable central Utah project, which, when completed, would allow Utah to divert water from the sparsely populated eastern borders of the State to the teeming Wasatch front area for municipal and industrial uses.

Utah currently uses about 6 million acre-feet of water annually from its main sources, including the Colorado River, of which the State presently uses about 34 percent of its compact entitlement, the Bear River, Wasatch Mountain watersheds, the Virgin River and other minor streams, and underground water supplies. A report by the Utah Division of Water Resources to the Coordinating Council on Natural Resources stated:

If the State of Utah were to irrigate all of the arable lands, meet expected municipal and industrial uses, and supply water for fish and wildlife, over 14 million acre feet of water would be required annually.

It is considered probable that substantially more water could be put to beneficial and economic uses than will be available in the reasonably foreseeable future.

If Utah were able to put to beneficial use its entire compact entitlement of 1.7 million acre-feet, assuming a full supply in the river, the State would still be far short of its needs and potential.

That startling fact underscores the importance of reclamation development in the second most arid State in the United States, and the vital role which a completed central Utah project plays in that development. A completed central Utah project and related facilities will ultimately allow Utah to put to beneficial use its full share of the Colorado River, which experts agree is essential to support the expected growth in population and the economy of the area.

DIXIE PROJECT

Title III, section 307, of H.R. 3300 reauthorizes the Dixie project in southwestern Utah and provides for its financial integration into the Colorado River Basin project. The Dixie was originally authorized for construction under Public Law 88–565, approved September 2, 1964. Following that authorization, detailed studies of the original reservoir site unexpectedly revealed the probability of excessive reservoir leakage which would require extremely costly treatment of the subsurface to correct. The subsequent search for another damsite resulted in selection of a site about 15 miles downstream.

However, the change required considerable modification of project facilities, including the elimination of power development as a feature. Without power revenues, which would have provided revenues to assist in repayment of the costs of the project, the Dixie's financial status has been changed, and it now requires financial assistance from the lower basin fund as provided in H.R. 3300.

The Dixie project would collect surplus flows of the Virgin River, which forms a part of the Lower Colorado River Basin as defined by the Colorado River Compact. The Virgin River is an interstate stream which drains an area of 6,000 square miles, of which 2,900 square miles are in Utah, 1,100 square miles are in Nevada, and some 2,000 square miles are in Arizona. Waters collected by the Virgin River empty into Lake Mead.

The Dixie project, which would be constructed at a total cost of $58 million, would consist of a Virgin River dam and 256,200 acre-foot reservoir, a hurricane diversion dam to divert unregulated riverflow to the LaVerkin Canal, and the enlarged Hurricane Canal, and the Washington Fields Canal system and the Washington-Ivans Canal system, which will receive water from the Virgin River Reservoir. The primary purpose of the plan would be to supply 45,400 acre-feet of irrigation water from the Virgin River to 6,900 acres of new lands to be irrigated in the area and supply supplemental irrigation water to 10,004 acres presently irrigated from the Virgin and Santa Clara Rivers. The plan also provides from 5,000 acre-feet of water to meet municipal and industrial requirements of the city of St. George, Utah, which is expected to quadruple its population between 1965 and 2025. The project would also benefit Cedar City, Utah, by permitting an average 5,500 acre-foot upstream diversion to meet expected growth in that area.

The reservoir would also provide flood control benefits, salinity control benefits, and recreation and fish and wildlife benefits.

The Dixie project area is located about 320 miles southwest of Salt Lake City, Utah. The project area would extend about 25 miles up the Virgin River from St. George, almost to Virgin City near the southwest corner of Zion National Park. It extends up the Santa Clara River from its confluence with the Virgin River near St. George to within 5 miles of Gunlock, Utah.

The Dixie project receives its name from that part of the Virgin River Valley known as the Dixie of Utah, due to its comparatively mild climate and because cotton was grown there when it was first settled. Climate of the area is characterized by a small amount of precipitation, short mild winters, an abundance of sunshine, long summers, and a long growing season. The mean annual precipitation in the highest parts of the drainage basin amounts to 25 to 30 inches and provides most of the water presently used for irrigation. The average annual precipitation of 7.74 inches occurs mostly as rainfall, with 3.52 inches of this amount received during the growing season. The mean annual temperature is 61.2 degrees.

The area was first settled by Mormon missionaries about 1852. St. George, which is now the county seat and largest town with a population in 1960 of 5,130, was established in 1861. Agriculture is the most important industry in the area, although tourist services has been growing in recent years due to the fact that St. George is located on U.S. Highway 91, the major route from Salt Lake City to Las Vegas and Los Angeles.

Land in the general area is used primarily for grazing of livestock, with a small amount of dryland wheat farming and irrigated farming. Crops of the area include small grains, fruits, vegetables, and sugar beet seed. Of the 10,004 acres of irrigated acreage in the area, about 90 percent is used for feed and forage, 8 percent for fruit, truck, and other specialty crops, and 2 percent is idle.

LOCAL EFFORT

Though small as most reclamation projects go, the Dixie project is nonetheless vital to the economy of southwestern Utah. Local support for an irrigation project has been very active since the early 1930's. The Washington County Water Conservancy District was created especially to contract with the Federal Government for the Dixie project, and special legislation was passed by the Utah State Legislature to enable the district to levy an ad valorem tax of up to 5 mills to assist in the repayment of project costs. Moneys derived from this tax will contribute more than $6.6 million toward repayment of the project costs. In recent years, an increased emphasis has been placed on the need for municipal and industrial water for St. George and Cedar City, and the city of St. George has expressed a desire to purchase water from the project and expressed its willingness to enter into a formal contract.

SUMMARY

The lands to which the project will bring water are fertile. These new and developed lands in a semitropical climate will help feed the exploding populations of Nevada and southern California to which this area is very near. And very

significantly to me, we will be creating new and permanent wealth, new and permanent jobs—basic to a truly healthy economy and certainly preferable to artificial make-work and temporary employment which Government handout represents in so many other areas of Federal expenditure. This all hinges on having a predictable and regulated water supply.

The public benefits and desirability of the Dixie project have already passed the careful scrutiny of the Congress. The need for the Dixie project was realized then, and that need is no less today. Therefore, I urge that this important project be approved. Let me emphasize to you who represent the water-starved States of California and Arizona that the Dixie project will take from the Colorado River less than one-tenth of 1 percent of the water supply of Lake Mead.

In conclusion I wish to pay a personal tribute to the distinguished chairman of the committee, Chairman ASPINALL, to my colleague LAURENCE J. BURTON of Utah, a member of the committee and the subcommittee who has championed the Utah cause in committee and on the floor and to the others of the majority of the committee who after long months have produced a bill, not completely satisfactory in every respect to any single State, but a bill which most nearly respects the needs and justifiable development of the water resources of the Colorado River consistent with the real but delicate balance of equities among the affected States.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington [Mrs. MAY].

Mrs. MAY. Mr. Chairman, I have tried to listen to today's debate with an open mind. And I must say I appreciate the difficult position expressed by the proponents of H.R. 3300. I appreciate their position because if you dig deep enough, you will find a basically good piece of legislation embodied in this bill.

The provisions which I feel have merit, and have had merit for a good long time, are those which would authorize the CAP, the central Arizona project.

Here is a project which I feel merits an affirmative response from the Congress. It is a project which has been pending consideration for many, many years. It is a project which has received the blessings of the Senate, and which, rightfully, should be the project before us today.

It is unfortunate that the central Arizona project has once again found itself smothered in a bill which embodies this proposal only as an incidental, which, in effect, buries the central Arizona project in a sea of confusion by building onto it appendages which have no business being there.

Mr. Chairman, soon this House and all of its Members will have up for consideration a conference report which calls for an increase in personal income taxes for nearly every taxpayer. This same bill will call for a reduction in Federal spending to the tune of $6 billion. Now both the 10-percent surcharge on income tax, and the reduction in spending of $6 billion is a considerable amount of money. But even $6 billion would appear to be but a drop in the bucket compared to what we are being asked to spend—and make no mistake about it—spend, this afternoon.

The story is told, and it well could turn into a nightmare to haunt every Member of this body, on pages 162 and 163 of the committee report on H.R. 3300.

We are being asked, Mr. Chairman, to commit the people—the taxpayers—of the United States to spend almost $19 billion—I said billion dollars—to authorize what is depicted as the central Arizona project with a "little trimming."

What I am saying is that the CAP, the central Arizona project, all by itself, would cost in the neighborhood of $1,400,000,000. In these days of financial crisis, this is a lot of money. Yet I believe this expenditure would be justified.

But $19 billion? For what?

First of all, let us look at just how large $19 billion is in terms of reclamation. The entire Federal investment in all of the reclamation facilities constructed in the United States since 1902, and this includes Grand Coulee Dam, Hoover Dam, the Colorado River storage project, the Central Valley project, the Missouri River Basin project, and all the rest, amounts to only $5½ billion. This afternoon, all in one vote, Mr. Chairman, we are being asked to give our blessing to a bill that could ultimately cost something in the neighborhood of $19 billion.

What are these appendages that have been built onto this house of cards that we are told is so delicately balanced?

Mainly, they are two.

The first is an authorization and directive—if you please—to the Secretary of the Interior to undertake immediate reconnaissance and feasibility studies leading to the construction of facilities to import to the Southwest millions of acre-feet of water from the major river basins of other regions of the Nation.

What is wrong with that?

Several things are very wrong with that. First, I know something about procedures followed in congressional authorization of projects carried out by the Secretary of the Interior or the Corps of Engineers. Congress does not authorize at the same time both a reconnaissance study and a feasibility study. Congress authorizes a reconnaissance study first. Then Congress looks at the reconnaissance study. It looks at the expected cost. It looks at the expected benefits. It looks at the plans. It decides whether the project shows enough promise to authorize a feasibility study. And only then, Mr. Chairman, does Congress take the next step, the authorization of a full-scale feasibility study.

Yet, this afternoon, we are being asked to forfeit that second vote. We are being asked to pass a bill which would allow the Secretary of the Interior to make a decision which under normal and usual circumstances is reserved only to the Congress of the United States. We are saying to the Secretary, you cast each and every vote in the House of Representatives and the Senate—unanimously—for a feasibility study of importation of millions of acre-feet of water from one or more major river basins to the Colorado River Basin.

I can only assume, Mr. Chairman, that Members who represent constituents from the Columbia River Basin, the Missouri River Basin, the Mississippi River Basin, and the Arkansas River Basin, would not wish to forfeit congressional privilege and responsibility in saying to the Secretary of the Interior, "You cast my vote for me, Mr. Secretary. Be my guest." I happen to represent a congressional district in the Columbia River Basin, in the Pacific Northwest. This is one of the fastest growing regions in the United States. The population has doubled since 1937, from 3 to 6 million persons. Our water resources potential has been estimated to have been developed, so far, to only 10 percent of its potential. I do not want to have the Secretary of the Interior cast my vote for me on the question of diverting the Columbia River from its bed to another river basin. I want to be able to cast that vote myself. And I should think Representatives of the Missouri River Basin, the Mississippi River Basin, and the Arkansas River Basin, would feel exactly as I do. The proponents of the appendages to this bill say they do not know where the water they intend to divert will come from. Beware, my colleagues, it could be from you.

The second thing wrong with this forfeiture of the opportunity to vote on a specific plan is that regardless of what kind of plan the Secretary of the Interior draws up, it is unnecessary to the success or operation of the central Arizona project. The simple fact is that the central Arizona project does not require diversion of water from any other river basin. We are being asked to buy, sight unseen, a fantastically expensive scheme, we are being asked to give up our individual votes with regard to it after the plan is revealed, all in the name of a project which does not need it.

The second appendage to this bill which gives me concern is found, like the first appendage, in title II. This appendage amounts to a congressional commitment to develop sources of water to provide, at taxpayer expense and at completely unknown cost, all of the water Mexico is entitled to receive under rights which have been confirmed by the Mexican Water Treaty. Let us not be confused about this section of the bill.

At first glance, some may think that this section deals with an obligation on the part of the United States to a foreign power. Not so. This section would oblige the taxpayers of the United States, not to provide a certain amount of water to Mexico, but would commit the people of the United States to replace the water that is naturally flowing to Mexico, by a like amount of water from nobody knows where.

Who, then, would benefit? Arizona? No. California? Yes. And several other Southwest States. As the proponents have stated, this is a delicately structured compromise. The fact is that every one of the seven States of the Colorado River Basin, has its specific wants, and none will support the other unless each gets those wants out of the deal.

But look who pays for this scheme that is so cleverly tied up in a package that is labeled, "Foreign affairs—keep hands

off." Footing the bill—to the tune of almost $19 billion—will be Mr. and Mrs. Taxpayer, U.S.A. The same Mr. and Mrs. Taxpayer who are being asked to dig down deep to come up with a 10-percent income tax surcharge. The same Mr. and Mrs. Taxpayer who are going to feel the pinch of Federal belt tightening when the effects of budget cutting hit them.

Now, Mr. Chairman, if either of these provisions of title II were urgent or absolutely necessary, that would be one thing. But they are not. The proponents of these appendages to H.R. 3300 admit, in the majority report, that "a full water supply—1,200,000 acre-feet—can reasonably be expected for the central Arizona project until some time during the decade 1985–95." There is no crisis on the Colorado, Mr. Chairman. There is not even a problem which requires a solution or a decision at this time.

Quite frankly, it is my suspicion that the only real reason these appendages are on the bill is that the proponents are afraid that by themeslves, these appendages simply could not stand up.

Well, if that is their worry, so be it. But certainly, we of this body should not be asked to approve a bill that is so delicately contrived that the least little alteration will jeopardize the arrangement.

Any project that cannot stand by itself, and stand tall, Mr. Chairman, needs to be critically examined on its merits. I have attempted to do this, and have found that an unencumbered central Arizona project can stand all by itself. It's a good project.

But these other appendages cannot stand by themselves because they are not, at this time, justified.

I intend to support amendments to delete these two provisions; the directive to the Secretary of the Interior to undertake immediate reconnaissance and feasibility studies on water importation to the Southwest, and the national commitment to pay untold billions of dollars to replace Mexican treaty water from an unknown source. If these two provisions are removed, I am prepared to support the central Arizona project with all of the vigor at my command.

Mr. SAYLOR. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. DELLENBACK].

Mr. DELLENBACK. Mr. Chairman, my respect for a number of my colleagues on both sides of the aisle who have stood before us today in support of H.R. 3300 is sufficiently high that I thought hard before asking for this time in which to express my own concerns about this measure. The gentleman from Arizona [Mr. UDALL] who, in my opinion, is one of the most able debaters in this body, has very eloquently argued that the provision of this bill which relates to the Mexican Treaty obligation merely amounts to a simple little sense-of-Congress resolution, a declaration of congressional good faith, a declaration that impliedly could very well not cost anybody anything.

The argument is made that a feasibility study will now be made, and only when the results of that study are known will the Congress be asked to approve any actual expenditure of funds.

The point that is lost sight of as this fast shuffle of words takes place is that this declaration of congressional intent would lay the groundwork for the feasibility study. Having made certain by this bill that a major share of the costs involved in this whole project would be considered a Federal obligation, nonreimbursable, the results of any feasibility study made thereafter would be skewed and to a very significant degree predetermined.

If this declaration is really unimportant, then let it wait. But if it is in truth of the major significance we feel it to be, then it is in fact an improper putting of the cart before the horse and should by no means be the action of this Congress.

The further argument is made that we are dealing only with 2½ million acre-feet of water. Each of us knows that the ultimate amount of water is extremely likely to be much, much more than that amount. Once the sluice gate is open, the trickle will become a torrent. Maybe it should. But let us not delude ourselves. Let us proceed in a normal and proper fashion. Let us first make the proper, normal reconnaissance study. Let that study deal with the full real possibilities. Then, and only then, should we face the question of proceeding with the feasibility study.

The concerns of the Members of this body from both the upper basin and the lower basin are sincere and deserving of careful attention. But a matter of the importance here dealt with should not be hastily or peculiarly handled. It is not the type of project which should be handled by legislation held together by adhesive tape or string, or fear that sound amendments will remove quid pro quos or cause a collapse of support.

Admittedly we of the Pacific Northwest are apprehensive about this bill. In spite of the fact that the feasibility study called for by this legislation could well embrace other possibilities than diversion of water from the Columbia River, the remarks which have been made on this floor here today by a number of the proponents of this bill make clear that such diversion is at least one of the possibilities, and most likely the most seriously considered possibility, in the minds of these proponents.

I join in support of the central Arizona project. But at the same time I object strongly on behalf of the people of Oregon to the passage of H.R. 3300 in its present form. I urge the Members of the House to join in support of amendments which will be offered to eliminate the Mexican Treaty obligation provisions and the precipitant feasibility study provisions.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman from California.

Mr. HOSMER. The Columbia River Treaty of 1964 settling a dispute between the United States and Canada provided some rather hefty payments by the United States to Canada for certain assumed benefits. Does the gentleman argue with that kind of principle with respect to a formal treaty arrangement between a couple of countries?

Mr. DELLENBACK. May I say to my good friend from California that the thing to which I object is a predetermination of what the feasibility studies should show. If we come out of a feasibility study, as happens with every public works project, with a calculation of benefits, and at that time it is properly determined that some benefits are nonreimbursable and some benefits are reimbursable, I do not object for a moment to the fact that some benefits are properly then considered the obligation of the United States and that they are borne on a nonreimbursable basis.

The thing that seems to me eminently irresponsible is this——

Mr. HOSMER. Did not the United States give this treaty to Mexico, and is it not on the United States of America and should not the United States of America have to make good on it?

Mr. DELLENBACK. Is the gentleman asking me or is he stating what his opinion is?

Mr. HOSMER. I am asking the gentleman.

Mr. DELLENBACK. My answer to that is no. That treaty merely recognized the rights of the respective nations and States in the waters of the Colorado River. It did not create an obligation on the part of this Nation to assume a massive financial obligation in unknown amount under the incorrect label of making good on a treaty.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASPINALL. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. WAGGONNER].

Mr. WAGGONNER. Mr. Chairman, some might raise the question why a Member of the House of Representatives from the State of Louisiana would want to take part in the debate which occurs here today, when we have the colloquy that we have had between the Southwestern part of the United States and the Northwestern part of the United States. But it might just be possible that some are having a little bit of trouble seeing the forest for the trees. I have no axe to grind, I have no motive except to fulfill the responsibility which is mine as a Member of the U.S. Congress.

We have heard the quotation referred to on a number of occasions, but believe me, here over the Speaker's desk is a very significant statement by Daniel Webster, a statement which says:

> Let us develop the resources of our land, call forth its powers, build up its institutions, promote all its great interests—

And then there are other words which are much the same, but challenge us a little bit further—

> and see whether we also in our day and generation may not perform something worthy to be remembered.

That is the creed of a conservationist, and I am a conservationist. It is significant to me, as I have listened to those from the Northwest and the Southwest discuss the merits and supposedly the demerits of this Colorado River Basin project, that no one has said there is not in the southwestern part of the United States a need for more water. So, if we begin by admitting that the southwest-

ern part of the United States needs more water, what is there to argue about except how and when we are going to do it?

The gentleman from Florida [Mr. HALEY], said that the water available presently in the Colorado River, in the mainstream of the Colorado River, fell by 3½ million acre-feet per year, I believe the gentleman said, short of the present needs.

This occurs, I am told, because engineers years ago made a mistake—as engineers make, and as everybody makes—and overestimated the amount of water available for the southwestern part of the United States and Mexico through one agreement, one compact, one treaty or the other. But the fact is we have agreements, we have compacts, and we have treaties. If we admit that they need water, how do we fulfill our responsibility to those compacts, those agreements, and those treaties?

Would my friend from Florida like me to yield?

Mr. HALEY. Mr Chairman, will the gentleman yield?

Mr. WAGGONNER. I yield to the gentleman from Florida.

Mr. HALEY. Mr. Chairman, I think the gentleman either misunderstood what I said or is misquoting what I said. The availability of the acre-feet of this water in the Colorado River was known as far back as 1906 and right up through 1967. I make the statement that the people who entered into this compact knew those figures and knew they were overapportioning the water that was in the river.

Mr. WAGGONNER. But if the gentleman will allow me to ask one question, he does not take the position there is not a shortage of water in the southwestern part of the United States?

Mr. HALEY. I do not. My main thrust or my main argument is that there is a water shortage. We are going to have to go somewhere to get it. Why not find out what it is going to cost to bring that water, because three and a half, or two and a half million acre-feet is not even going to begin to meet the needs of the southwestern part of the United States in a few years to come.

It will be closer to 8 million acre-feet, and the cost will be perhaps $25 billion or $30 billion.

Mr. WAGGONNER. I will speak to that in just a moment.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. WAGGONNER. I am happy to yield to the gentleman from Arizona.

Mr. RHODES of Arizona. Of course, what the gentleman from Florida stated is exactly our version of what title II would do. It would allow studies to be made to determine what the needs are, where the surpluses are, and where the augmentation would come from.

Mr. WAGGONNER. If we can agree here as Members of the House today that we need more water in the southwestern part of the United States—or, for that matter, anywhere in the United States—and we recognize that need, what obligation do we have to ourselves and to future generations? The answer is simple. We have the obligation to try to provide that necessity. Future generations will remember us for it. And, truthfully speaking, we would all support this project if we lived in this area.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. ASPINALL. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. WAGGONNER. Mr. Chairman, this project, the central Arizona project, I am told, is going to cost $779 million. Eighty-six percent of that will be repaid. The five projects in the upper reaches, in the upper basin, will cost $391 million. This is a lot of money but on the overall, 90 percent of this money is going to be repaid, not just 86 percent.

The overall cost-benefit ratio, within 50 years, for this project is 2.1 to 1, for future generations of Americans. There is not anything wrong with that.

Some people are trying to make a scapegoat of the people of Arizona. There are six other States involved, and they have some benefits to be accomplished from this project as well.

We have an obligation, whether we like it or not, to the Mexican people. We have entered into a treaty with Mexico, to be honored by the U.S. Government. We are a part of that treaty. We pledged them 1½ million acre-feet of water a year. I believe we ought to fufill that obligation.

What else are we going to do other than to authorize the central Arizona project? We are merely going to authorize a feasibility study to see if other water is available and if we can bring more water in. If we can, we will determine from where and whether or not it, too will result in a cost-benefit ratio we can justify and live with. If we can, as the gentleman from Washington [Mr. FOLEY] suggested earlier, then I am sure the request will come back to this Congress to put up some money to bring that water in. If it has a favorable cost-benefit ratio and the shortage still exists, then I, as an interested American, interested in the future needs for water as well as the present-day needs, for all these United States, will support such a proposal.

But this legislation does not authorize anything except a study. The Congress, whether we are Members of it in future years or not, will make a determination then about whether we should go forward to augment the then existing supply.

I believe this project is just. It is fair. It is equitable. It needs and deserves our support.

The CHAIRMAN. The time of the gentleman from Louisiana has again expired.

Mr. SAYLOR. I should like to have the attention of the gentleman from Louisiana. I should like to yield him 2 minutes, and I wish to tell him that I commend him for his statement on this bill.

I believe what the gentleman must understand is that everyone has said he is in favor of these projects. The only thing is that we are duplicating what is already in the law.

In the 89th Congress we passed the Water Resources Planning Act. There is already in existence a Commission which will do the work which is to be duplicated in this bill.

This is the objection of the people of the Pacific Northwest. This is the objection I have to the bill. It is not that the projects to be authorized would not do just what the gentleman said.

Mr. WAGGONNER. Would the gentleman answer a question for me?

The gentleman does not take the position, as some would like to indicate—and I do not believe any Member of the House believes—that this legislation actually would authorize the construction of any further addition to this project which is not included, after the feasibility study?

Mr. SAYLOR. That is correct.

Mr. WAGGONNER. Then can the gentleman tell me what there is to lose by a feasibility study and determining this? If we have a 3½ million acre-foot shortage of water in that part of the United States now, what is wrong with finding out whether a favorable cost-benefit ratio can be obtained and whether we can find water somewhere to help these people without depriving others.

Mr. SAYLOR. All I can say is that there is already in existence the mechanics to get just what they have asked for. This House has already passed and sent over to the Senate a National Water Commission bill.

If the Senate will just pass that, that will be another thing which would indicate that this is not needed.

Mr. WAGGONNER. But the gentleman will recall the debate when this commission was created and there was consideration given to that legislation at that time, here on the floor on that day, which pointed out the functions of that commission which could be in itself a duplication of the already existing water Resources Council. Is that correct?

Mr. SAYLOR. The gentleman is correct. The gentleman from Colorado is one of those who worked that out.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASPINALL. Mr. Chairman, I yield the gentleman 1 additional minute and ask the gentleman if he will yield to me.

Mr. WAGGONNER. I will be glad to yield to the chairman of the committee.

Mr. ASPINALL. Of course, this is not exactly directly in point, and I can tell my colleagues who have followed my recommendations and suggestions so many times in the past that the National Water Commission study bill will not do the job that this bill does, and neither does the act referred to by my good friend from Pennsylvania [Mr. SAYLOR]. This highlights the necessity for this particular study. That is the reason why it is placed in this legislation, so that we do not get lost in a maze of general activities of some of the other commissions.

Mr. WAGGONNER. I have to agree with the gentleman from Colorado in that respect.

Mr. ASPINALL. Thank you.

Mr. SAYLOR. Mr. Chairman, I yield 10 minutes to the gentleman from Idaho [Mr. MCCLURE].

Mr. MCCLURE. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I take this time, not to repeat all of the arguments that have been made, but to underscore some of the

arguments that have been made on the floor today. I will not open my remarks by making eulogies to our chairman and to the members of the committee, because it has been my experience in the short while that I have served here that those eulogies are followed by condemnations and generally you build up a man so you can let him down.

I think one thing that must be taken into consideration here, and which was totally missed in the last remarks made before this body, is the distinction between reconnaissance surveys and feasibility studies. This Congress and this committee from which this bill has come to the floor found that the authorizations and the practices being followed in making feasibility studies without prior authorization by the Congress were leading to unwise legislation and building up pressures here in this body when the study was brought forward to the committee and this body. Because of this the Bureau of the Budget and this committee, the Committee on Interior and Insular Affairs, have adopted the procedures which have been followed in every instance, to my knowledge, save this one, since they have been adopted, of requiring that the reconnaissance study be made first and then the Congress pass on that reconnaissance study and is asked to authorize a specific feasibility study. Why, then, are we departing from that sound plan in this instance? It has been suggested here this afternoon, only once to my knowledge, that we are duplicating the studies which will be required of the National Water Commission, an act which has already passed this House of Representatives. The National Water Commission is charged with the responsibility of looking at all of the water resources of this country, not just one area, one region, or just the relationship between two river basins. It is said that we are not pointing a finger at the Columbia River Basin, and this water augmentation for the Colorado River might come from weather modification, desalinization, and from the Missouri River or the Mississippi River or from Canada. If this is exactly what is meant by the people who have said that, then how can they say that the National Water Commission study is not necessary to put this into the context of the overall national needs for water in the future of this country? They say also that this is no threat to the Pacific Northwest and that there will be no demand made upon any river or any river basin which does not have a surplus of water. I call to the attention of my colleagues the fact that repeatedly out of the State of California we are faced with threats and continuing proposals are made to come to the State of Idaho and divert water from the Snake River Basin.

Mr. Chairman, the Snake River Basin is a potentially water-deficient area at the present time. We have within the Snake River Basin still to develop 6 million to 12 million acres of ground. In short water years there has been no water spilled past Milner Dam, the midpoint in that basin.

Mr. Chairman, faced with these threats and faced with this continuing pressure from people outside our basin aimed directly at a river which is already water short, how can we be asked to take on faith alone the fact that there will not be further threats made from other sources?

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. McCLURE. I yield to the gentleman from California.

Mr. HOSMER. This is not authorizing a study, but if the gentleman says there is not any water in his river, it is perfectly obvious that no one is going to get any water out of it.

Mr. McCLURE. Unless it may be the people of the State of California, because that has been the history in the past with reference to water resources.

Mr. HOSMER. This Columbia River is not the only place that is looked at. I think other rivers are looked at from the standpoint of possible water resource.

Mr. McCLURE. Mr. Chairman, I decline to yield further to the gentleman from California.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. McCLURE. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, is it not true that the objection in the Northwest goes not to studies as such, but rather to breaking of the tradition of the Interior Committee in and the Congress in not authorizing a feasibility study in advance of the completion of a preliminary reconnaissance study

Mr. McCLURE. That is correct.

Mr. FOLEY. Mr. Chairman, if the gentleman will yield further, is not the effect of authorizing a feasibility study prior to the reconnaissance study simply to deny the Members of Congress the benefit of this reconnaissance study conclusions before they vote on a costly feasibility proposal?

Mr. McCLURE. The gentleman's observation is correct. We have been assured that the language in the bill is a sufficient guarantee of rights, because the Governors have the right to veto such proposals I would point out the fact, however, that there cannot be any better guarantee to any State than a decree of the Supreme Court of the United States. If the decree won by the State of Arizona is not sufficient to protect them against the demands of another State, how can the language in this bill constitute such a guarantee?

Mr. FOLEY. Mr. Chairman, will the gentleman yield further?

Mr. McCLURE. I yield further to the gentleman from Washington.

Mr. FOLEY. I want to congratulate the gentleman in the well upon a very fine statement and a very accurate statement of the problems this conglomerate bill has raised. If he will bear with me further, I wish to inform the committee that when we reach the 5-minute rule I am going to offer an amendment to substitute a reconnaissance study for this feasibility study. I would like to have the attention of the gentleman from Arizona [Mr. RHODES] who asked me a few moments ago whether I would accept title II if the word "feasibility" were changed to the word "reconnaissance." As I have just said, I intend to offer such an amendment and I hope the gentleman from Arizona will support it. It will simply change the word from "feasibility" to "reconnaissance," but I will make a statement that if it is adopted then I shall support title II of the bill.

Mr. McCLURE. I thank the gentleman from Washington for his contribution and I would like to say that I will support that change also.

Mr. RHODES of Arizona. Mr. Chairman will the gentleman yield?

Mr. McCLURE. I yield to the gentleman from Arizona.

Mr. RHODES of Arizona. I thank my good friend from Idaho for yielding. The process which the House must go through in order to authorize a feasibility report is to determine as best it can whether or not a project when it is authorized either has or appears to have some possibility that it will prove beneficial. This has already happened and this is not a suggestion to authorize a feasibility study. Therefore, I could not support the amendment which is proposed to be offered by the gentleman from Washington [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, if the gentleman from Idaho will yield further, I am sorry that the gentleman cannot support my proposed amendment. I thought that was the burden of his question to me, in asking if I would agree to such an amendment.

Mr. McCLURE. I would like also to comment further on this particular feature written into the bill and which is similar to the story told of the gentleman working for a large corporation who was asked to donate to the Community Chest.

All of the people in that great corporation, save one, had made this donation, and the president of the corporation wanted to know why this one man was holding out, and he sent various people to persuade him to make the donation so the company could be 100 percent on the donation. The man was adamant, and again said, "No." Finally, the president called the man into his office and told him, "You will donate, or you will be fired." The fellow said, "Of course I will donate." The president said, "If you are going to donate now, why was it that you required me to call you in?" The man replied, "Well, I never had it explained to me so clearly before."

The people of Arizona are in that position today. They have never had the demands of the river explained to them so clearly as when California said, "If you want any more projects in Arizona, you will concede to us what you have won in the Supreme Court decision."

So they have, and so we may be faced with the same kind of threats in the future when it comes to the future development of the water resources and lands in the Northwest. The same kind of proposition is being suggested to us, "Will you concede? Will you knuckle under? Will you stand on your rights to veto the diversion at the expense of any future development within your States?"

Mr. SAYLOR. Mr. Chairman, will the gentleman yield?

Mr. McCLURE. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. Mr. Chairman, I would like to commend the gentleman for the

statement he has made, and to point out another example of the highhanded manner in which the folks from California have demanded prizes in this bill.

We set up a basin fund, and the committee in this session, on one day said that the funds should pay for that portion of the projects in Utah which could not be paid out of the farm development funds——

The CHAIRMAN. The time of the gentleman from Idaho has again expired.

Mr. SAYLOR. Mr. Chairman, I yield 5 additional minutes to the gentleman from Idaho [Mr. McCLURE].

Mr. McCLURE. I thank the gentleman.

Mr. SAYLOR. If I may continue, the next day we reconsidered the act whereby we took it out, at the insistence of the Representative from California who insisted that the Dixie project and the projects in Utah be paid by the State of Arizona.

Mr. TUNNEY. Mr. Chairman, will the gentleman yield?

Mr. McCLURE. If I have time I will be delighted to yield to the gentleman, after I have completed my remarks.

Mr. Chairman, I believe there is one other element that must be pointed out here, that there is a source of water in the States affected in the Colorado River Basin which has not been pointed to except in passing remarks. There is adequate water in northern California to meet the future requirements within the foreseeable future of the demands of southern California. This is water which is kept in the bank by the State of California for their future demands while they are looking outside to augment the supplies for the Colorado River Basin.

Mr. Chairman, I would like to touch briefly on the Mexican Water Treaty obligation, because it has been said here that this really does not change anything. I would like to repeat again what has been said, that if the language in this bill does not really mean anything, why, then, the insistence upon its inclusion? "Methinks thou dost protest too much."

Mr. Chairman, I would like to read to the Members the language of this bill exactly, in case anyone present has not done so.

Section 202, which appears on page 52 of the bill, says:

> The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation—

While it is true that this bill does not require any immediate expenditure to satisfy that obligation, it does indeed constitute a blank check for the future. In the words of the gentleman from Arizona, as quoted by the gentleman from Pennsylvania, it "transfers" this obligation to the National Government, and it then becomes the responsibility of all 50 States to satisfy this obligation when, as, and if we find a means to do it.

I believe we need to look at the background for a moment, for those people who are not familiar with Western water law, that, generally speaking, waters which are not used are subject to appropriation by the first person who can put it to use.

The compact on the Colorado River has changed that by making a reservation for future use of the waters that are not now being used.

The Mexican Water Treaty is a recognition of this principle. It did not give Mexico something that Mexico did not have. It did not give Mexico something that the other States in the basin did not have. It was in recognition of an existing right, and now we are seeking to make this an obligation, not of the river—but of the United States generally.

I would again say that the compact recognized this in 1922. It was again recognized in the treaty discussions in 1944. It should again be recognized at this time.

A gentleman in one of the speeches earlier remarked about the fact that we have taken something away from Arizona and that we should pay them for it because we are not going to allow any dams to be built in the Grand Canyon and we should compensate the State of Arizona.

I wonder if this principle applies to my State where 3 million acres of the State of Idaho have been dedicated to wilderness uses. Is the State of Idaho to be compensated then for those 3 million acres?

In conclusion let me say, I want to make it clear, as has been stated repeatedly, that I, along with other members of the Northwest delegation, support the central Arizona project. We think Arizona is entitled to develop their water and their land as has been determined under the compact by the Supreme Court of the United States and that they should be permitted to do so. They are having to surrender rights which are theirs legally and morally, and which this legislation requires them to surrender.

I would like to conclude my remarks by stating at the conclusion rather than at the inception of my remarks that never has any committee been chaired in a more fair manner and by a more capable chairman than this great Committee on Interior and Insular Affairs. Certainly, as a freshman Member of the Congress, I would be remiss if I did not extend to the chairman my heartfelt gratitude for his generosity and fairness in the consideration of this bill.

Mr. HOSMER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Chairman, there are misconceptions in the debate relative to the Water Resources Council and related matters that ought to be cleared up.

For instance, the claim that the provisions of title II, "Investigations and planning," duplicate existing authority given the Water Resources Council in the Water Resources Planning Act and the bills passed by both Houses of the Congress establishing a National Water Commission.

The minority states on pages 116–117 of its report that authority to study interbasin diversion of water already exists in the provisions of the Water Resources Planning Act—page 117—and quotes some irrelevant sections—the minority omits the key provision; for example, section 3(d) which prohibits the study of interbasin water transfers under the jurisdiction of more than one river basin commission or entity performing the function of a river basin commission. Since section 3(d) became law, the Water Resources Council has scrupulously interpreted that subsection as meaning not even reconnaissance study of interbasin transfers. An excellent case in point is guideline 3, page 3, of the Water Resources Council publication "Guidelines for Framework Studies, October 1967," which states:

> Framework studies will be concerned only with the *intraregional* water and related land resources and their uses. . . . (Emphasis supplied.)

NATIONAL WATER COMMISSION

The facts do not support the minority's claim that the National Water Commission will have the authority to make needed studies. First of all, time is of the essence and the establishment of the proposed Commission is proceeding at a snail's pace. A year ago, the House of Representatives passed a Commission bill with relatively minor differences from the Senate-passed version. No Senate-House conference has been called so there has been great trouble even launching this supposed cure-all study agency.

This delay is symptomatic of blue-ribbon commissions. The policy problems involved transcend all others. It is inconceivable that a seven-man Commission, with a life of 5 years, can do more than examine, on a broad-brush basis, fundamental nationwide water and related land resources problems. Such a Commission cannot make, or even hope to direct, studies of the type required to meet equitably the diverse challenges which stretch from one end of the country to the other. Not only are there the major western areas of deficient water resources—such as the Colorado River, Rio Grande, High Plains of Texas, and the Great Basin—there are very significant but different types of problems associated with water-rich areas in the West, such as the Columbia River, California's north coast, and the Missouri-Mississippi Rivers.

There are the multiple and unique problems in the Great Lakes area, the Northeast, and the Southeast. There are water quality problems nationwide. There is the competition between "wild rivers" and "wilderness areas" and conservation. There are many, many more water and related land resources problems. For the Southwest, Northwest, Northeast, Southeast, or any other region of the country to stop regional planning until a yet-to-be authorized National Water Commission finishes its report is tantamount to abdication of responsibility. The ideal solution is to have regional studies proceeding concurrently with the National Water Commission review, that way more data would be available to the Commission, and the Congress would be furnished with the report on national water policy which can be put to immediate use in appraising regional plans. The title II studies of a specific plan are scheduled for completion in 1975, which

will enable full consideration of the Commission's report.

It also has been alleged that the Committee on Interior and Insular Affairs and the Congress do not have available the preliminary information and analysis to justify authorization of the study provisions of title II.

The facts are otherwise. These people reverse their field. Having said that title II was unnecessary because Congress has already provided study authority in other legislation, there is no rational basis for asserting that there is not enough information to justify the study authorization provisions in title II. The undisputed facts show the Southwest is facing a water problem rapidly approaching the crisis stage—manifestly a study is justified. A very large part of the four-volume set of hearings deal squarely with the critical water outlook in the Southwest.

It also has been said that the committee and the Congress do not have available the necessary information as to the costs of the studies authorized by title II.

The facts are otherwise on this point as well. On page 1400 of the House hearings on H.R. 4671—1966—the Department of the Interior furnished cost data for both the reconnaissance- and the feasibility-level studies. The reconnaissance study was estimated to cost about $4 million; the feasibility-level study from two to three times that amount.

We have also heard allegations that there is no emergency and no immediate water shortages which require or justify immediate and hurried approval of the provisions found in title II, and quoted is the fact that there will be a full water supply available for the central Arizona project until sometime during the decade 1985–95. This does not prove anything at all. The lapse of time between initiation of studies and delivery of water for major water projects invariably covers decades.

For example: First. The central Arizona project studies were initiated in 1945, and water will not be delivered before 1979, which is a lapse of time of 34 years. Adding 34 years to 1968 would result in a water delivery in year 2002, for an augmentation project 7 to 17 years too late to meet 1985–95 requirements.

Second. The California State water project studies were initiated in 1947, and water will be delivered to southern California in about 1972, an elapsed time of 25 years. Adding 25 years to 1968 would result in a water delivery in year 1993, barely before the 1995 date.

Even with title II studies being authorized this year, and the feasibility-level study being completed by 1975 as specified in title II, more than a decade will have been spent in making reports to the Congress. At that time, the augmentation studies will be at the stage the CAP studies were 17 years ago, and who can argue that Colorado River augmentation authorization will be less controversial than CAP. Clearly, there is no time to lose in getting meaningful studies underway.

There has also been loose talk that the committee's report does not make any reference to the estimated cost of augmenting the Colorado River by any of the alternatives mentioned in title II.

The answer to this one is simple. There are no reliable, comparable cost data on the alternatives. To get that data is the express purpose of title II. The committee rightfully refrained from prejudging or speculating on costs. If the studies show whether modification is reliable and less costly than other alternatives, the Southwest will welcome the news. The same is true if desalting appears to be the preferable source. The minority views miss the point. Alternative costs will not be ignored if title II studies are authorized, they will constitute the cornerstone of the studies. By quoting unsupported preliminary cost estimates the minority appears to be prejudging the results of yet to be undertaken studies.

At the time the Interior Department was assuming desalting costs may be reduced to 9.8 cents per 1,000 gallons in the next 25 years, the estimated costs for the Bolsa Island plant off the coast of southern California were being raised from 22 cents—1965 estimate—to 37 cents—1968 estimate.

Operational weather modification may be technically feasible by 1975, although there is no consensus on that, but even if that fortuitous circumstance happens, what are the legal implications of "milking" millions of acre-feet out of the skies to augment the flows of the Colorado River? What happens if droughts occur in nearby regions? Are there legal and financial responsibilities? What happens if floods should accompany weather modification, or if inclement weather adversely affects business? If all of the weather modification problems are solved by 1975, there will be no conflict with title II, because the feasibility report is due at the beginning of that year. Congress will be in the happy position of making an easy choice. If weather modification fails legally or technically, the Congress will have the necessary data to turn to some other solution.

Someone earlier complained that the Congress has reserved to itself the authorization of feasibility-level studies and that title II would permit the Secretary of the Interior to proceed directly from reconnaissance- to feasibility-level studies without affording a congressional review of the reconnaissance level studies. There is absolutely no wager about this whatsoever.

The reconnaissance reports will be available in 1973. The Congress can review them and stop the feasibility-level study at that time.

Mr. ASPINALL. Mr. Chairman, I yield 2 minutes to the gentleman from New Mexico [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I want to say that all Members of the New Mexico delegation appreciate and support this legislation.

The people of southwestern New Mexico have been waiting for enactment of this legislation for a long time, some as long as 50 years.

We believe it is a sound proposal. Water in New Mexico and the rest of the arid Southwest is our most valuable resource. It is our life's blood, not only for the survival of game and fish, but for the survival of people, and industry and farming.

The New Mexico Wildlife and Conservation Association, the State's oldest conservationist association, held its meeting in Silver City last month, and for the second time in 2 years, endorsed this legislation as reported by the committee.

I greatly appreciate, and I know I speak for the people of New Mexico, particularly San Juan County, the inclusion of the Animas-La Plata project in H.R. 3300.

For many years, farmers and ranchers of San Juan County have been unable to use otherwise arable land because of lack of water, and full growth of some crops is not realized because of inadequate moisture.

Mr. ASPINALL. Mr. Chairman, I yield 1 minute to the gentleman from Colorado [Mr. ROGERS].

Mr. ROGERS of Colorado. Mr. Chairman, I am happy to urge the enactment of H.R. 3300. The enactment of this bill into law can go a long way toward helping the people of the Colorado River Basin resolve the problems created by rapid population growth and dwindling water supplies.

The city and county of Denver, which comprises the First Congressional District of Colorado, and which I have the privilege of representing derives a significant portion of its water supply from the major tributaries of the Colorado River. Because of its dependence upon that source, Denver is vitally concerned with any Federal legislation affecting the Colorado River.

I am especially interested in section 501(f). My concern over this provision stems from the fact that Green Mountain Reservoir is located on the Blue River, one of the major tributaries of the Colorado River from which the Denver metropolitan area now derives a part of its water supply. That area must necessarily look to this river for increasingly large amounts of its supply to support its future growth. Denver's rights to the use of this water, created by the people of Denver at a cost of more than $70 million, are closely tied in with the operation of Green Mountain Reservoir under Senate Document 80 by reason of the incorporation of certain provisions of that document in that decree of the U.S. District Court for the District of Colorado which defines the rights of both the United States and Denver in the Blue River.

Under the law, the definition of those rights by the court is simply a description of what Denver and the United States, as appropriators, did to create their respective rights. In describing the rights of the United States therefore, the court, rather than presuming to intrude upon the functions of Congress, merely copied the language of Senate Document No. 80 without interpreting it. Since question exists, not as to any court interpretation, but as to the Congress' purpose in creating Green Mountain Reservoir, it is appropriate that only Congress resolve any problem relating to this Fed-

eral property which may have arisen out of this congressional document.

In reporting on that problem, the Committee on Interior and Insular Affairs of this House, stated in its report on H.R. 3300—Report No. 1312, 90th Congress, second session—at pages 81 and 82:

Subsection (f) has been included in the legislation in order to give congressional interpretation to the meaning of the words "any western slope appropriations" that appear in paragraph (i) of the section of Senate Document No. 80, 75th Congress, 1st session, entitled "Manner of Operation of Project Facilities and Auxiliary Features." The meaning of these words which this subsection approves is the same as that approved by the Colorado Water Conservation Board. The section of Senate Document No. 80 referred to provides for three principal water components of the Colorado-Big Thompson Federal reclamation project; namely, for diversion of water to the eastern slope of Colorado, for storage of replacement water, and for storage of water for use in western Colorado. The replacement water (52,000 acre-feet) and water for use in western Colorado (100,000 acre-feet) are stored in Green Mountain Reservoir in western Colorado.

The last sentence of paragraph (g) of the particular section of Senate Document No. 80 in question says:

"The 100,000 acre-feet of storage in said reservoir shall be considered to have the same date of priority of appropriation as that for water diverted or stored for transmountain diversion."

This quoted sentence is subsequently qualified by paragraph (i) of the same section which, with reference to the Colorado River Compact, states, in part, as follows:

"Notwithstanding the relative priorities specified in paragraph (g) herein, if an obligation is created under said compact to augment the supply of water from the State of Colorado to satisfy the provisions of said compact, the diversion for the benefit of the eastern slope shall be discontinued in advance of any western slope appropriations."

The Committee was informed that there has been considerable misunderstanding within the State of Colorado as to the effect of the additional projects herein authorized when viewed in the light of the above quoted provisions of Senate Document No. 80. Although the misunderstandings may be less real than they appear, the Committee agrees to resolving the matter by approving the interpretation of the words "any western slope appropriations" to mean and refer to the appropriation heretofore made for storage in Green Mountain Reservoir on the western slope of Colorado. It is the view of the Committee that any other interpretation would interfere with water rights vested by law in prior appropriators, and that the approved interpretation defines and observes the purpose of said paragraph (i) of Senate Document No. 80, and does not, in any way, affect or alter any rights or obligations arising under Senate Document No. 80 or under the laws of the State of Colorado.

This matter concerning Senate Document No. 80 affects no other State than Colorado. If it did, as a Member of the National Congress, I would have to exercise my judgment, not only from the local viewpoint but from the viewpoint of national interest as well. Here I have no such problem; the State of Colorado has spoken officially through its water conservation board, its legislature, and its Governor who testified before the Subcommittee on Irrigation and Reclamation of the Committee on Interior and Insular Affairs of this House on May 8, 1966—page 1045 of serial No. 89-17, part II, hearings on the H.R. 4671 and similar bills, 89th Congress, second session. He said at that time:

The current controversy concerns the meaning of the words "any western slope appropriations." It appears clear enough from the document that such words apply only to the priority of water in Green Mountain Reservoir for use in western Colorado, as set forth in paragraph (g). Any other interpretation would do violence to rights vested by law in prior appropriations. Since it is a congressional document which creates the problem, we feel that it is necessary to have the matter clarified by the Congress. It is not our intention that any rights in western Colorado to the use of water from Green Mountain Reservoir be diminished or impaired. We ask only that the intent of Senate Document No. 80 be observed by all parties.

Senate Document No. 80 grew out of negotiations between representatives of eastern and western Colorado during the time that I was the attorney general of Colorado. My recollection of the product of those negotiations agrees with the understanding of the intent of the parties which section 501(f) confirms.

I am glad to see that the other body concurred with the Colorado Governor's request by adopting an identical provision in its version of the Colorado River Basin project bill.

I, too, concur with this official State policy which determines that the development of water uses in western Colorado should not, by reason of this portion of Senate Document No. 80, jeopardize the existing and future economy of eastern Colorado which is also dependent upon the use of the waters of the Colorado River. With this clarifying language in the bill, I give my wholehearted support to its passage.

Mr. Chairman, I would like to direct a question to the chairman of the committee.

Do you understand that the effect of section 501(f) is to cast the burden of providing water for a Lee Ferry deficiency upon all the water rights on the Colorado River within Colorado in the order of their priority under State law?

Mr. ASPINALL. Yes, I do.

Mr. SAYLOR. Mr. Chairman, to show that the planning sections of this act are a duplication of already existing law, let me quote to you the provisions of that act relative to the duties of the Water Resources Council and the Federal projects procedures.

SEC. 102. The Council shall—

(a) maintain a continuing study, and prepare an assessment biennially, or at such less frequent intervals as the Council may determine, of the adequacy of supplies of water necessary to meet the water requirements in each water resource region in the United States and the national interest therein; and

(b) maintain a continuing study of the relation of regional or river basin plans and programs to the requirements of larger regions of the Nation and of the adequacy of administrative and statutory means for the coordination of the water and related land resources policies and programs of the several Federal agencies; it shall appraise the adequacy of existing and proposed policies and programs to meet such requirements; and it shall make recommendations to the President with respect to Federal policies and programs.

SEC. 103. The Council shall establish after such consultation with other interested entities, both Federal and non-Federal, as the Council may find appropriate, and with the approval of the President, principles, standards, and procedures for Federal participants in the preparation of comprehensive regional or river basin plans and for the formulation and evaluation of Federal water and related land resources projects. Such procedures may include provision for Council revision of plans for Federal projects intended to be proposed in any plan or revision thereof being prepared by a river basin planning commission.

Mr. SAYLOR. Mr. Chairman, I wish to take the remaining time to commend the members of the Committee of the Whole House on the State of the Union for the debate which has taken place today. I believe that in the 19 years it has been my privilege to serve in this House I have never seen a finer example of the House of Representatives working at its best on a bill which is controversial, and a bill which is of tremendous interest not only to the people in the Colorado River Basin but to all the United States. The attitude of the proponents and the opponents has been in the highest and best tradition of the House of Representatives.

There has been no rancor, no bitterness or personalities injected into the debate. Those who represent other areas have carefully explained their reasons for opposition to the bill and the proponents have explained their reasons for the compromises that exist in the legislation.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I am happy to yield to the gentleman from Colorado.

Mr. ASPINALL. May I join in the gentleman's commendation of our colleagues in the House?

Mr. SAYLOR. I just hope with the same spirit the Members of the House will tomorrow morning have an opportunity to examine the record that has been made on the House floor today and will determine tomorrow that some of the amendments which we have proposed can be accepted—so that this legislation may become law.

Mr. ASPINALL. Mr. Chairman, I yield to the gentleman from California [Mr. VAN DEERLIN].

Mr. VAN DEERLIN. Mr. Chairman, coming, as I do, from the thirstiest end of California, it will occasion no surprise that I rise in support of the bill.

Mr. Chairman, all of us from the West have been waiting a long time for this day. H.R. 3300 would go far toward ending the disputes that have prevented full and efficient use of a great natural resource, the Colorado River.

The Interior Committee, under its able chairman, the distinguished gentleman from Colorado, is especially to be commended for giving us a bill that so carefully balances the interests of the States involved.

We Californians are delighted, of course, that the committee has seen fit to preserve our entitlement of 4.4 million acre-feet of water a year from the Colorado.

I shudder to think where we would be today without this river which furnishes

80 percent of all the water used by the 10 million people who live in Southern California. California has been taking around 5.1 million acre-feet a year, and our water experts tell us we could not live with less than the 4.4 million acre-feet specified in H.R. 3300.

This same allotment was specified in the Boulder Canyon Project Act of 1929. But California is a notably thirsty State. In our desire to anticipate the future needs of a very rapidly growing population, we built projects, at a cost of more than $600 million, that are intended to use 5.4 million acre-feet. We recognize, however, that our neighbor States also have a right to grow, and we accept the hard fact that we will eventually have to operate our expensive system at 1 million acre-feet below its design capacity.

I wish I could say that this spirit of cooperation extended to our good friends from the Pacific Northwest.

Unfortunately, many of them seem to regard the augmentation study recommended by the bill as the beginning of a plot to grab off their own water.

I must confess that I find it difficult to understand the logic of our colleagues from the Northwest, although I certainly sympathize with this desire to protect the rights of their own region and people.

But what are they worried about? If anything, they suffer from an overabundance of water. Compared with their big river, the Columbia, the Colorado is a mere stream. Some 140 million acre-feet of water gush through the Columbia each year—and most of them keep flowing right out into the Pacific. The annual flow of the Colorado—on which seven States depend—is in the neighborhood of 13 million acre-feet, less then one-tenth of what the Columbia produces.

My learned colleagues, BIZZ JOHNSON and CRAIG HOSMER, have summed up the situation very cogently by comparing the Colorado to the U.S. gold stock: both are woefully depleted and in urgent need of augmentation.

To the 20 million people in the seven States served by the Colorado, water is gold—

Said Messrs. HOSMER and JOHNSON—

But, water or gold, there isn't enough of it to cover a cow's knee by the time the Colorado reaches the Gulf of California.

In other words, the Colorado River Basin States, unlike their counterparts in the Northwest, simply cannot afford the luxury of waste.

And today's scarcity promises to become a critical shortage in the future—unless something can be done to replenish the Colorado.

H.R. 3300 would make up some of the deficiency by adding 2.5 million acre-feet a year to the river from some outside source. The bill does not say what this source, or sources, should be. Instead, it directs the Secretary of the Interior to study all possibilities and come up with a feasible plan by 1975. The possibilities include, but are not limited to, desalting, weather modification, or an interbasin transfer from a water surplus area, including northern California.

The Interior Secretary cannot, however, recommend an interbasin diversion unless the plan has been approved by the affected States. Once they have given their OK, areas of origin not only get full protection of existing uses but also recall of the water if it is needed later and development fund assistance.

I cannot see how this wise proposal, with its built-in protection for all 11 of the Western States, can be construed as a threat to anyone's water supplies.

Rather, it seems to me, the augmentation provision would tend to assure the orderly development of water resources throughout the West to the advantage of all the Western States, not just some of them.

Water does not recognize political boundaries—and we should not either, when we are handling legislation as comprehensive as this excellent bill.

I would urge our colleagues to think twice before voting to scuttle the augmentation section or any other provision of H.R. 3300. If we tamper with the bill here on the floor of the House, we could kill it in the process and all our States would be the losers.

Mr. ASPINALL. Mr. Chairman, I yield the balance of the time to the gentleman from California [Mr. HOLIFIELD].

Mr. ROYBAL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I am happy to yield to my colleague from California.

Mr. ROYBAL. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROYBAL. Mr. Chairman, my remarks will be brief in support of this bill to develop the Colorado River to meet the inevitable needs of growth.

I do support it and in doing so, I reflect the overwhelming sentiments of my constituents. Every communication from my home district in Los Angeles urges me to support this legislation as recommended by the House Interior and Insular Affairs Committee.

One of the most striking facts about the Colorado River is that the water it produces now is completely used up. For the past several years no useful water has been discharged to the Gulf of California. The relative trickle from the mouth of the Colorado River to the sea is too degraded by dissolved minerals for further use. Although this legislation contemplates an increase of demands upon the supply of water in the future I can support this bill because it also provides for a factfinding program to guide our future decisions about the best way to augment the water supply of this stream.

There is no hope for reduction of demand. No law exists to stop new settlers from moving into the arid Southwest where water from the Colorado River must be used to support them. Every index promises population growth in these areas and the only question is whether the growth will be just plain big, or even bigger. Translated into water requirements, this question becomes one of how much additional water will be required and where can ft best be found and how best delivered.

In conversations with some of our colleagues, I have encountered some reservations about a provision of this Colorado River project legislation which assigns as a national obligation the cost of providing water to Mexico under the 1944 treaty. Speaking as a member of the Foreign Relations Committee who fully endorses the good neighbor policy, I have no such reluctance to endorse that provision. All treaties are national obligations.

When this particular agreement with Mexico was reached, many members of the other body voted against ratification because, among other inequities, it placed no obligation upon the citizens of the Nation as a whole to provide the required water which the United States promised to deliver annually. The treaty was approved, however, in spite of the anxiety of those who objected on behalf of the seven Southwestern States which depend upon the Colorado River. The million and a half acre-feet plus conveyance losses, which must be delivered yearly to Mexico fell by default as a burden upon only the citizens living on lands comprising the Colorado River Basin. Their protesting representatives were correct. The burden was not fairly shared.

I congratulate the members of the Interior and Insular Affairs Committee for the language in this bill which corrects the injustice. Cost of paying this debt to Mexico should be borne by all of us, not by just a few of us and, in this instance, a few least able to afford to do so.

At the moment, the distress is minimal because development of the Southwestern States is still in progress. But all the water of the river is now being used. What little flows to the Gulf of California is too saline for further service to either Americans or Mexicans. And both Americans and Mexicans are concerned, Mexicans about water quality and Americans about both quantity and quality.

Therefore, some kind of a meaningful augmentation program holds extra significance because of its great potential for good in our relations with Mexico. New water added to the Colorado River would serve primarily to alleviate the salinity problem south of the border. And, who knows, there might also be enough to provide Mexico with additional supplies.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I am happy to yield to my colleague from California.

Mr. JOHNSON of California. Mr. Chairman, awhile back in the debate reference was made to a letter received from the Honorable CARL HAYDEN, Senator from Arizona. I received a letter from that fine gentleman, Senator HAYDEN, and I think all of the letter should be made a part of the RECORD since only a part of it was quoted for the RECORD.

In the letter he addressed to me Senator HAYDEN said that H.R. 3300, as well as S. 1004, would provide the essential Arizona project. I do believe that he is in support of H.R. 3300 as it came from the committee and is authored by the

chairman of our full committee, the gentleman from Colorado [Mr. ASPINALL].

The letter is as follows:

U.S. SENATE,
Washington, D.C., May 13, 1968.

Hon. HAROLD T. JOHNSON,
House of Representatives,
Washington, D.C.

DEAR BIZ: By now, every member of the Congress knows that the State of Arizona is in desperate need of supplemental water.

For over forty years, driven by necessity, plagued by frustration and sustained by hope, Arizona has worked hard to secure and use its share of Colorado River water. At times I have been called upon to lead that fight, just as I have supported many measures of resource development in every State in the Nation. It has become my fervent hope to see the passage of legislation which will make the Central Arizona Project a reality.

Three times the Senate has passed a bill to make that dream come true, but never, until this year, has the House of Representatives had the opportunity to vote on this legislation. Soon you will be voting on Chairman Aspinall's bill, H.R. 3300. While this bill differs in some respect from the Senate bill, S. 1004, either would authorize construction of an aqueduct from the Colorado River to bring water into central Arizona.

I hope that you will now support Arizona and that you will urge your colleagues to help in passing this legislation by the House of Representatives without crippling amendments.

Yours very sincerely,

CARL HAYDEN.

Mr. HOLIFIELD. Mr. Chairman, first I wish to thank the chairman of the full committee for yielding me some time. As a member of the 38-member California delegation, I want to say that we are unanimous in support of H.R. 3300. To us the river water of the Colorado is the lifeblood of our whole economy.

I wish to go back at this time to something that occurred when I was first a Member of the House, along in 1944 and 1945. At that time, in 1944, as I remember, the Mexico-United States Treaty was proposed, and in 1945 it was ratified. That treaty guaranteed 1½ million acre-feet of water to Mexico.

Before that time floods would devastate Mexico below the U.S. boundary, and they could never depend upon getting a crop, regardless of what it was. When the Hoover Dam was built, we had a means of controlling that water, and water that had been destructive became beneficial water, not only to the people of California but to the people of Mexico, because we could save them from the annual flooding which usually took place.

Mr. ASPINALL. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Colorado.

Mr. ASPINALL. Hoover Dam has been paid for by the consumers of the electric power that is generated by the Hoover Dam generating facilities, and those consumers live in California and Arizona; is that not correct?

Mr. HOLIFIELD. The gentleman is correct. The bulk of the power is bought by California. At that time we built an aqueduct with California funds—not with Federal funds—some 275 or 300 miles, which cost us at that time $500 million.

If that aqueduct had to be built today, it would probably cost a billion or a billion and a half. But we built that with our own funds and not with Federal funds, and it was paid for by the taxpayers of California in order to bring that lifegiving river water into southern California.

We have an annual rainfall of about 14 inches in southern California. That, of course, is the reason why we need the water.

The next reason is we have about 10 million people in that area. We have close to 19 million people in California. We might say that from almost the northern part of California down through the southern part, we need the lifegiving water that flows through the rivers of California and flows through the aqueduct into California.

Back to the treaty, the testimony at that time before the Foreign Relations Committee of the Senate, from the experts and from the State Department, was that there was something like 18,400,000 acre-feet in the Colorado River flow. They did not have the means of measuring water as accurately then as they do now, and there may have been some decrease in the flow of the river in the meantime due to weather variance.

However, the million and a half acre-feet was given to Mexico on the basis that it was being given out of surplus, over and above the 15 million acre-feet committed to northern and southern basin States. We were giving them something out of surplus, we thought, and the State Department so testified, and the experts who came before us so testified.

This was for the benefit of Mexico in an international treaty. It was not for the benefit of the people of California, or the people of Colorado, or of the other Colorado Basin States. This was an international treaty of comity between two nations, but hooked in with that was also the Rio Grande River treaty of flood control and division of water between Mexico and the United States.

Something has been said here that it was not a national obligation, that a treaty is not a national obligation.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, I think it well to point out just what the gentleman said, that when they made the treaty what they were talking about was water that was going into Mexico anyway, but it turns out it was water that was not going to go to Mexico at all, and it has to come out of somebody's field and somebody's factory and somebody's home.

Mr. HOLIFIELD. That is correct. Let me stress that part of the treaty was the Rio Grande water control and distribution. Here again the Federal Government came in and built two dams, at Federal expense and not at the expense of the people of Texas. The National Government took over that, thereby proving it was the national obligation. We built those two dams in order to control the waters of the Rio Grande and divert the water to Mexico that should go to Mexico and the water to Texas that should go to Texas.

Now, is this diversion of water to Mexico from the Colorado River a national obligation or is it an obligation that should be assessed against the basin States, north and south? In 1965 we came on this floor with legislation which was in effect a modification of that treaty for improving the quality of the water. The quantity was not in question. We were giving them some 1,500,000 acre-feet, but it had become too salty due to the situation on the Colorado, so the Federal Government again, in an agreement with Mexico, came to the Congress for Federal funds to modify that treaty, and we spent approximately $30 million to $40 million making diversion canals around the Morales Dam to bring sweet water in to protect Mexico from water that had become too saline.

There is adequate proof, in my opinion, that it is a national obligation. It was done for a national purpose, and the National Government stood behind its responsibility in that treaty and paid for the diversion canals—some $30 to $40 million.

It was a mistake on the part of the experts before the Senate Foreign Relations Committee when they said there was 18,400,000 acre-feet in that river. Should we, the seven member States of the Colorado Basin, bear that mistake, which was made in testimony by the State Department, or should the Nation as a whole bear the cost of that mistake? The effect of that mistake is redounding upon the States that are involved in the Colorado Basin, because we find we have a scarcity of water which was not foreseen or forecast or estimated at the time of the treaty.

Let me call to the attention of the Members of the Northwestern States of Washington and Oregon the fact that they are benefiting from the Canadian Treaty by the expenditure of millions of Federal dollars to bring water down from Canada into the Bonneville system, which makes kilowatts that will go as far south as Los Angeles eventually through the Northwest-Southwest intertie.

It was the Federal Government which took over the obligation of that treaty, and it was the Federal Government which built the canals to bring the 20 million acre-feet into the Bonneville system from Canada. So I say to the people of the Northwest, they are benefiting from a treaty made between Canada and the United States.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. No. The gentleman has had a lot of time and I have had little. I ask the gentleman to bear with me. I know he does not like to hear these facts, but they are facts, and he knows it.

I believe the point that the Colorado River Basin States should bear a national treaty impact, because of a mistake in testimony and a mistake in estimates which was made, would be an equitable arrangement in line with many national treaty precedents.

Do we want any State involved in any international treaty with any nation to bear the impact, good or bad, of that treaty? Of course not. A treaty is a national obligation between two sovereign nations. It is not to be borne by any sec-

tion, by any State, by any county or by any city in the United States.

If there be deleterious effects upon a State, that State should be made whole, because the treaty which was made, was made for the benefit of all the people of the United States and not for the people of a certain area of the United States, although the water in this instance had to come from a river which drains seven of these States. Nevertheless, if an impact which is deleterious on those States occurs as a result of a national treaty, I say it is just simple equity that the Nation itself bear that cost, and not the six States, one State, two States, or three States pay for the impact of a national treaty.

This is an important thing I want to say, because the point has been repeatedly made that we are doing something very devious in asking that the United States bear the cost and the obligation and the burden of an international treaty. In my opinion, that is a completely fallacious position to take. We have precedent after precedent. If Members will read the report, pages 47 to 51, they will find a number of those precedents where the Nation picked up the tab. That is all we ask, simple equity to the seven States in the region who have long worked to get an agreement and a piece of legislation which will help us on the distribution of the water, on the preservation of the water, and the restoration to that basin of waters which were taken by mistake in an international treaty.

So I say that we have a good cause. I hope the Members of the House who are not on the floor will read my words and will remember that we seek to help an area of the United States which represents 13 percent of the population.

I would say to my friends from the Northwest, from Oregon and Washington, there are some 31 million people in these seven States. There are about 6 million people in the States of Idaho, Oregon, and Washington. I would say the greatest market they have are the people of California, who buy the apples of Washington and the lumber of Washington and the potatoes of Idaho and the other products of that area. It is their natural market. That market is growing. It will continue to absorb the products of those States.

Let us look at this as a regional problem, a problem whereby the whole region will profit from its solution. You sell your potatoes and apples and lumber to Californians. We buy them. We have to have water to drink or we cannot live there, and we cannot build our houses, and we cannot eat your food. So let us try to look at this thing for one moment on the basis of regional prosperity, for without regional prosperity, Washington, Oregon, and Idaho cannot have prosperity, either.

If we work together on this, without detriment, because there are plenty of safeguards in the legislation to keep away any detrimental diversion of water from the States in the North, we can solve this problem. We do not say in this legislation that there will be diversion, but we say that the study will take into consideration desalting, in which I am very much interested, recovery of waste water from all sources, and weather modification as well as importation.

This bill provides that we make a study and then that the recommendations will come back to this committee. Then this committee, as it sees fit, will make whatever recommendations it determines are necessary from this feasibility study. This then comes back to the Congress, and then the Congress has the final word as to whether we shall authorize and appropriate for these items that are recommended by the study and which survives the regular committee process of authorization and appropriation.

The CHAIRMAN. The time of the gentleman from California has expired. All time has expired.

Pursuant to the rule, the Clerk will read the committee substitute amendment printed in the bill as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—COLORADO RIVER BASIN PROJECT: OBJECTIVES

SEC. 101. That this Act may be cited as the "Colorado River Basin Project Act".

SEC. 102. (a) It is the object of this Act to provide a program for the further comprehensive development of the water resources of the Colorado River Basin and for the provision of additional and adequate water supplies for use in the upper as well as in the lower Colorado River Basin. This program is declared to be for the purposes, among others, of regulating the flow of the Colorado River; controlling floods; improving navigation; providing for the storage and delivery of the waters of the Colorado River for reclamation of lands, including supplemental water supplies, and for municipal, industrial, and other beneficial purposes; improving water quality; providing for basic public outdoor recreation facilities; improving conditions for fish and wildlife, and the generation and sale of electrical power as an incident of the foregoing purposes.

(b) It is the policy of the Congress that the Secretary of the Interior (hereinafter referred to as the "Secretary") shall continue to develop, after consultation with affected States and appropriate Federal agencies, a regional water plan, consistent with the provisions of this Act and with future authorizations, to serve as the framework under which projects in the Colorado River Basin may be coordinated and constructed with proper timing to the end that an adequate supply of water may be made available for such projects, whether heretofore, herein, or hereafter authorized.

TITLE II—INVESTIGATIONS AND PLANNING

SEC. 201. (a) The Water Resources Council, acting in accordance with the procedure prescribed in section 103 of the Water Resources Planning Act (79 Stat. 244), shall within one year following the effective date of this Act establish principles, standards, and procedures for the program of investigations and submittal of plans and reports authorized by this title. The Secretary, in conformity with the principles, standards, and procedures so established, is authorized and directed to—

(1) prepare estimates of the long-range water supply available for consumptive use in the Colorado River Basin, of current water requirements therein, and of the rate of growth of water requirements therein to at least the year 2030;

(2) investigate and recommend sources and means of supplying water to meet the current and anticipated water requirements of the Colorado River Basin, either directly or by exchange, including reductions in losses, importations from sources outside the natural drainage basin of the Colorado River system, desalination, weather modification, and other means: *Provided*, That the Secretary shall not, under the authority of this clause or anything in this Act contained, make any recommendation for importing water into the Colorado River system from other river basins without the approval of those States which will be affected by such exportation, said approval to be obtained in a manner consistent with the procedure and criteria established by section 1 of the Flood Control Act of 1944 (58 Stat. 887);

(3) undertake investigations, in cooperation with other concerned agencies, of means for maintaining an adequate water quality throughout the Colorado River Basin;

(4) investigate means of providing for prudent water conservation practices to permit maximum beneficial utilization of available water supplies in the Colorado River Basin;

(5) investigate and prepare estimates of the long-range water supply in States and areas from which water could be imported into the Colorado River system, together with estimates and plans to satisfy the probable ultimate requirements for water within such States and areas of origin for all purposes, including but not limited to consumptive use, navigation, river regulation, power, enhancement of fishery resources, pollution control, and disposal of wastes to the ocean, and estimates of the quantities of water, if any, that will be available in excess of such requirements.

(b) The Secretary is authorized and directed to prepare reconnaissance reports covering the matters set out in subsection (a) of this section, and such reports shall be submitted to the President and to the Congress not later than Jan. 30, 1973, and, as revised and updated, every five years thereafter. For the purpose of providing for the repayment of the reimbursable costs of any projects covered by such reports, the Secretary shall take into account such assistance as may be available to the States of the Upper Division from the Upper Colorado River Basin Fund (70 Stat. 107), and to the States of the Lower Division from the development fund established by section 403 of this Act.

(c) On the basis of the investigations and studies performed pursuant to this section, and subject to the provision of subsection (a)(2) and section 203 hereof, the Secretary shall prepare a feasibility report on a plan which shows the most economical means of augmenting the water supply available in the Colorado River below Lee Ferry by two and one-half million acre-feet annually. The recommended plan may include the construction of works and facilities by such successive stages as are estimated to be necessary to alleviate critical water shortages as they occur. The report prepared pursuant to this subsection, along with comments of the affected States and appropriate Federal agencies thereon, shall be submitted to the Congress on or before January 1, 1975.

SEC. 202. The Congress declares that the satisfaction of the requirements of the Mexican Water Treaty from the Colorado River constitutes a national obligation which shall be the first obligation of any water augmentation project planned pursuant to section 201 of this Act and authorized by the Congress. Accordingly, the States of the Upper Division (Colorado, New Mexico, Utah, and Wyoming) and the States of the Lower Division (Arizona, California, and Nevada) shall be relieved from all obligations which may have been imposed upon them by article III(c) of the Colorado River Compact so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to satisfy the requirements of the Mexican

Water Treaty together with any losses of water associated with the performance of that treaty.

SEC. 203. (a) In the event that the Secretary shall, pursuant to section 201(a)(2) and 201(c), plan works to import water into the Colorado River system from sources outside the natural drainage areas of the system, he shall make provision for adequate and equitable protection of the interests of the States and areas of origin, including assistance from funds specified in section 201(b) of this Act, to the end that water supplies may be available for use in such States and areas of origin adequate to satisfy their ultimate requirements at prices to users not adversely affected by the exportation of water to the Colorado River system.

(b) All requirements, present or future, for water within any State lying wholly or in part within the drainage area of any river basin from which water is exported by works planned pursuant to this Act shall have a priority of right in perpetuity to the use of the waters of that river basin, for all purposes, as against the uses of the water delivered by means of such exportation works, unless otherwise provided by interstate agreement.

SEC. 204. The Secretary shall submit annually to the President and the Congress reports covering progress on the investigations and reports authorized by this title.

SEC. 205. There are hereby authorized to be appropriated such sums as are required to carry out the purposes of this title.

TITLE III—AUTHORIZED UNITS: PROTECTION OF EXISTING USES

SEC. 301. (a) For the purposes of furnishing irrigation water and municipal water supplies to the water-deficient areas of Arizona and western New Mexico through direct diversion or exchange of water, control of floods, conservation and development of fish and wildlife resources, enhancement of recreation opportunities, and for other purposes, the Secretary shall construct, operate, and maintain the Central Arizona Project, consisting of the following principal works: (1) a system of main conduits and canals, including a main canal and pumping plants (Granite Reef aqueduct and pumping plants), for diverting and carrying water from Lake Havasu to Orme Dam or suitable alternative, which system shall have a capacity of not to exceed two thousand five hundred cubic feet per second; (2) Orme Dam and Reservoir and power-pumping plant or suitable alternative; (3) Buttes Dam and Reservoir, which shall be so operated as not to prejudice the rights of any user in and to the waters of the Gila River as those rights are set forth in the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59); (4) Hooker Dam and Reservoir or suitable alternative, which shall be constructed in such a manner as to give effect to the provisions of subsection (f) of section 304; (5) Charleston Dam and Reservoir; (6) Tucson aqueducts and pumping plants; (7) Salt-Gila aqueduct; (8) related canals, regulating facilities, hydroelectric powerplants, and electrical transmission facilities required for the operation of said principal works; (9) related water distribution and drainage works; and (10) appurtenant works.

(b) Article II(B)(3) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340) shall be so administered that in any year in which, as determined by the Secretary, there is insufficient main stream Colorado River water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada, diversions from the main stream for the Central Arizona Project shall be so limited as to assure the availability of water in quantities sufficient to provide for the aggregate annual consumptive use by holders of present perfected rights, by other users in the State of California served under existing contracts with the United States by diversion works heretofore constructed, and by other existing Federal reservations in that State, of four million four hundred thousand acre-feet of mainstream water, and by users of the same character in Arizona and Nevada. Water users in the State of Nevada shall not be required to bear shortages in any proportion greater than would have been imposed in the absence of this subsection 301(b). This subsection shall not affect the relative priorities, among themselves, of water users in Arizona, Nevada, and California which are senior to diversions for the Central Arizona Project, or amend any provisions of said decree.

(c) The limitation stated in subsection (b) of this section shall not apply so long as the Secretary shall determine and proclaim that means are available and in operation which augment the water supply of the Colorado River system in such quantity as to make sufficient mainstream water available for release to satisfy annual consumptive use of seven million five hundred thousand acre-feet in Arizona, California, and Nevada.

SEC. 302. (a) The Secretary shall designate the lands of the Salt River Pima-Maricopa Indian Community, Arizona, and the Fort McDowell-Apache Indian Community, Arizona, or interests therein, and any allotted lands or interests therein within said communities which he determines are necessary for use and occupancy by the United States for the construction, operation, and maintenance of Orme Dam and Reservoir, or alternative. The Secretary shall offer to pay the fair market value of the lands and interests designated, inclusive of improvements. In addition, the Secretary shall offer to pay toward the cost of relocating or replacing such improvements not to exceed $500,000 in the aggregate, and the amount offered for the actual relocation or replacement of a residence shall not exceed the difference between the fair market value of the residence and $8,000. Each community and each affected allottee shall have six months in which to accept or reject the Secretary's offer. If the Secretary's offer is rejected, the United States may proceed to acquire the property interests involved through eminent domain proceedings in the United States District Court for the District of Arizona under 40 U.S.C., sections 257 and 258a. Upon acceptance in writing of the Secretary's offer, or upon the filing of a declaration of taking in eminent domain proceedings, title to the lands or interests involved, and the right to possession thereof, shall vest in the United States. Upon a determination by the Secretary that all or any part of such lands or interests are no longer necessary for the purpose for which acquired, title to such lands or interests shall be restored to the appropriate community.

(b) Title to any land or easement acquired pursuant to this section shall be subject to the right of the former owner to use or lease the land for purposes not inconsistent with the construction, operation, and maintenance of the project, as determined by, and under terms and conditions prescribed by, the Secretary. Such right shall include the right to extract and dispose of minerals. The determination of fair market value under subsection (a) shall reflect the right to extract and dispose of minerals but not the other uses permitted by this subsection.

(c) In view of the fact that a substantial portion of the lands of the Fort McDowell Mohave-Apache Indian Community will be required for Orme Dam and Reservoir, or alternative, the Secretary shall, in addition to the compensation provided for in subsection (a) of this section, designate and add to the Fort McDowell Indian Reservation twenty-five hundred acres of suitable lands in the vicinity of the reservation that are under the jurisdiction of the Department of the Interior in township 4 north, range 7 east; township 5 north, range 7 east; and township 3 north, range 7 east, Gila and Salt River base meridian, Arizona. Title to lands so added to the reservation shall be held by the United States in trust for the Fort McDowell Mohave-Apache Indian Community.

(d) Each community may, pursuant to an agreement with the Secretary, develop and operate recreational facilities along the part of the shoreline of the Orme Reservoir located on or adjacent to its reservation, including land added to the Fort McDowell Reservation as provided in subsection (b) of this section, subject to rules and regulations prescribed by the Secretary governing the recreation development of the reservoir. Recreation development of the entire reservoir and federally owned lands under the jurisdiction of the Secretary adjacent thereto shall be in accordance with a master recreation plan approved by the Secretary. Each community and the members thereof shall have nonexclusive personal rights to hunt and fish on the reservoir, to the same extent they are now authorized to hunt and fish, without charge, but shall have no right to exclude others from the reservoir except by control of access through their reservations, or any right to require payments by the public except for the use of community lands or facilities.

(e) All funds paid pursuant to this section, and any per capita distribution thereof, shall be exempt from all forms of State and Federal income taxes.

SEC. 303. (a) The Secretary is authorized and directed to continue to a conclusion appropriate engineering and economic studies and to recommend the most feasible plan for the construction and operation of hydroelectric generating and transmission facilities, the purchase of electrical energy, the purchase of entitlement to electrical plant capacity, or any combination thereof, including participation, operation, or construction by non-Federal entities, for the purpose of supplying the power requirements of the Central Arizona Project and augmenting the Lower Colorado River Basin Fund: *Provided,* That nothing in this section or in this Act contained shall be construed to authorize the study or construction of any dams on the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam.

(b) If included as a part of the recommended plan, the Secretary may enter into an agreement with non-Federal interests proposing to construct a thermal generating powerplant whereby the United States shall acquire the right to such portion of the capacity of such plant, including delivery of power and energy over appurtenant transmission facilities to mutually agreed upon delivery points, as he determines is required in connection with the operation of the Central Arizona Project. When not required for the Central Arizona Project, the power and energy acquired by such agreement may be disposed of intermittently by the Secretary for other purposes at such prices as he may determine, including its marketing in conjunction with the sale of power and energy from Federal powerplants in the Colorado River system so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates. The agreement shall provide, among other things, that—

(1) the United States shall pay not more than that portion of the total construction cost, exclusive of interest during construction, of the powerplant, and of any switchyards and transmission facilities serving the United States, as is represented by the ratios of the respective capacities to be provided for the United States therein to the total capacities of such facilities. The Secretary shall make the Federal portion of such costs available to the non-Federal interests during the construction period, including the period of

preparation of designs and specifications, in such installments as will facilitate a timely construction schedule, but no funds other than for preconstruction activities shall be made available by the Secretary until he determines that adequate contracts have been entered into between all the affected parties covering land, water, fuel supplies, power (its availability and use), rights-of-way, transmission facilities and all other necessary matters for the thermal generating powerplant;

(2) annual operation and maintenance costs, including provisions for depreciation (except as to depreciation on the pro rata share of the construction cost borne by the United States in accordance with the foregoing clause (1)), shall be apportioned between the United States and the non-Federal interests on an equitable basis taking into account the ratios determined in accordance with the foregoing clause (1);

(3) the United States shall be given appropriate credit for any interests in Federal lands administered by the Department of the Interior that are made available for the powerplant and appurtenances;

(4) costs to be borne by the United States under clauses (1) and (2) shall not include (a) interest and interest during construction, (b) financing charges, (c) franchise fees, and (d) such other costs as shall be specified in the agreement.

(c) No later than one year from the effective date of this Act, the Secretary shall submit his recommended plan to the Congress. Except as authorized by subsection (b) of this section, such plan shall not become effective until approved by the Congress.

(d) If the thermal generating plant referred to in subsection (b) of this section is located in Arizona, and if it is served by water diverted from the drainage area of the Colorado River system above Lee Ferry, other provisions of existing law to the contrary notwithstanding, such consumptive use of water shall be a part of the fifty thousand acre-feet per annum apportioned to the State of Arizona by article III (a) of the Upper Colorado River Basin Compact (63 Stat. 31).

SEC. 304. (a) Unless and until otherwise provided by Congress, water from the Central Arizona Project shall not be made available directly or indirectly for the irrigation of lands not having a recent irrigation history as determined by the Secretary, except in the case of Indian lands, national wildlife refuges and, with the approval of the Secretary, State-administered wildlife management areas.

(b)(1) Irrigation and municipal and industrial under supply under the Central Arizona Project within the State of Arizona may, in the event the Secretary determines that it is necessary to effect repayment, be pursuant to master contracts with organizations which have power to levy assessments against all taxable real property within their boundaries. The terms and conditions of contracts or other arrangements whereby each such organization makes water from the Central Arizona Project available to users within its boundaries shall be subject to the Secretary's approval, and the United States shall if the Secretary determines such action is desirable to facilitate carrying out the provisions of this Act, have the right to require that it be a party to such contracts or that contracts subsidiary to the master contracts be entered into between the United States and any user. The provisions of this clause (1) shall not apply to the supplying of water to an Indian tribe for use within the boundaries of an Indian reservation.

(2) Any obligation assumed pursuant to section 9(d) of the Reclamation Project Act of 1939 (43 U.S.C. 485h (d)) with respect to any project contract unit or irrigation block shall be repaid over a basic period of not more than fifty years; any water service provided pursuant to section 9(e) of the Reclamation Project Act of 1939 (43 U.S.C. 485h (e)) may be on the basis of delivery of water for a period of fifty years and for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits and from such other points of delivery as the Secretary may designate; and long-term contracts relating to irrigation water supply shall provide that water made available thereunder may be made available by the Secretary for municipal or industrial purposes if and to the extent that such water is not required by the contractor for irrigation purposes.

(3) Contracts relating to municipal and industrial water supply under the Central Arizona Project may be made without regard to the limitations of the last sentence of section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)); may provide for the delivery of such water at an identical price per acre-foot for water of the same class at the several points of delivery from the main canals and conduits; and may provide for repayment over a period of fifty years if made pursuant to clause (1) of said section and for the delivery of water over a period of fifty years if made pursuant to clause (2) thereof.

(c) Each contract under which water is provided under the Central Arizona Project shall require that (1) there be in effect measures, adequate in the judgment of the Secretary, to control expansion of irrigation from aquifers affected by irrigation in the contract service area; (2) the canals and distribution systems through which water is conveyed after its delivery by the United States to the contractors shall be provided and maintained with linings adequate in his judgment to prevent excessive conveyance losses; and (3) neither the contractor nor the Secretary shall pump or permit others to pump ground water from within the exterior boundaries of the service area of a contractor receiving water from the Central Arizona Project for any use outside said contractor's service area unless the Secretary and such contractor shall agree, or shall have previously agreed, that a surplus of ground water exists and that drainage is or was required. Such contracts shall be subordinate at all times to the satisfaction of all existing contracts between the Secretary and users in Arizona heretofore made pursuant to the Boulder Canyon Project Act (45 Stat. 1057).

(d) The Secretary may require in any contract under which water is provided from the Central Arizona Project that the Contractor agree to accept mainstream water in exchange for or in replacement of existing supplies from sources other than the main stream. The Secretary shall so require in the case of users in Arizona who also use water from the Gila River system to the extent necessary to make available to users of water from the Gila River system in New Mexico additional quantities of water as provided in and under the conditions specified in subsection (f) of this section: Provided, That such exchanges and replacements shall be accomplished without economic injury or cost to such Arizona contractors.

(e) In times of shortage or reduction of mainstream Colorado River water for the Central Arizona Project, as determined by the Secretary, users which have yielded water from other sources in exchange for main stream water supplied by that project shall have a first priority to receive mainstream water, as against other users supplied by that project which have not so yielded water from other sources, but only in quantities adequate to replace the water so yielded.

(f) (1) In the operation of the Central Arizona Project, the Secretary shall offer to contract with water users in New Mexico for water from the Gila River, its tributaries and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of eighteen thousand acre-feet, including reservoir evaporation, over and above the consumptive uses provided for by article IV of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340). Such increased consumptive uses shall not begin until, and shall continue only so long as, delivery of Colorado River water to downstream Gila River users in Arizona is being accomplished in accordance with this Act, in quantities sufficient to replace any diminution of their supply resulting from such diversions from the Gila River, its tributaries and underground water sources. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(2) The Secretary shall further offer to contract with water users in New Mexico for water from the Gila River, its tributaries, and underground water sources in amounts that will permit consumptive uses of water in New Mexico of not to exceed an annual average in any period of ten consecutive years of an additional thirty thousand acre-feet, including reservoir evaporation. Such further increases in consumptive use shall not begin until, and shall continue only so long as, works capable of augmenting the water supply of the Colorado River system have been completed and water sufficiently in excess of two million eight hundred thousand acre-feet per annum is available from the main stream of the Colorado River for consumptive use in Arizona to provide water for the exchanges herein authorized and provided. In determining the amount required for this purpose full consideration shall be given to any differences in the quality of the waters involved.

(3) All additional consumptive uses provided for in clauses (1) and (2) of this subsection shall be subject to all rights in New Mexico and Arizona as established by the decree entered by the United States District Court for the District of Arizona on June 29, 1935, in United States against Gila Valley Irrigation District and others (Globe Equity Numbered 59) and to all other rights existing on the effective date of this Act in New Mexico and Arizona to water from the Gila River, its tributaries, and underground water sources and shall be junior thereto and shall be made only to the extent possible without economic injury or cost to the holders of such rights.

SEC. 305. To the extent that the flow of the mainstream of the Colorado River is augmented in order to make sufficient water available for release, as determined by the Secretary pursuant to article II(b)(1) of the decree of the Supreme Court of the United States in Arizona against California (376 U.S. 340), to satisfy annual consumptive use of two million eight hundred thousand acre-feet in Arizona, four million four hundred thousand acre-feet in California, and three hundred thousand acre-feet in Nevada, respectively, the Secretary shall make such water available to users of mainstream water in those States at the same costs (to the extent that such costs can be made comparable through the nonreimbursable allocation to the replenishment of the deficiencies occasioned by satisfaction of the Mexican Treaty burden as herein provided and financial assistance from the development fund established by section 403 of this Act) and on the same terms as would be applicable if mainstream water were available for release in the quantities required to supply such consumptive use.

SEC. 306. The Secretary shall undertake programs for water salvage and ground water recovery along and adjacent to the mainstream of the Colorado River. Such programs shall be consistent with maintenance of a reasonable degree of undisturbed habitat for fish and wildlife in the area, as determined by the Secretary.

SEC. 307. The Dixie Project, heretofore authorized in the State of Utah, is hereby reauthorized for construction at the site determined feasible by the Secretary, and the Secretary shall integrate such project into the repayment arrangement and participation in the Lower Colorado River Basin Development Fund established by title IV of this Act consistent with the provisions of the Act: *Provided*, That section 8 of Public Law 88-565 (78 Stat. 848) is hereby amended by deleting the figure "$42,700,000" and inserting in lieu thereof the figure "$58,000,000".

SEC. 308. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the project works authorized pursuant to this title shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213), except as provided in section 302 of this Act.

SEC. 309. (a) There is hereby authorized to be appropriated for construction of the Central Arizona Project, including prepayment for power generation and transmission facilities but exclusive of distribution and drainage facilities for non-Indian lands, $779,000,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs as indicated by engineering cost indices applicable to the types of construction involved here and, in addition thereto, such sums as may be required for operation and maintenance of the project.

(b) There is also authorized to be appropriated $100,000,000 for construction of distribution and drainage facilities for non-Indian lands. Notwithstanding the provisions of section 403 of this Act, neither appropriations made pursuant to the authorization contained in this subsection (b) nor revenues collected in connection with the operation of such facilities shall be credited to the Lower Colorado River Basin Development Fund and payments shall not be made from that fund to the general fund of the Treasury to return any part of the costs of construction, operation, and maintenance of such facilities.

TITLE IV—LOWER COLORADO RIVER BASIN DEVELOPMENT FUND: ALLOCATION AND REPAYMENT OF COSTS: CONTRACTS

SEC. 401. Upon completion of each lower basin unit of the project herein or hereafter authorized, or separate feature thereof, the Secretary shall allocate the total costs of constructing said unit or features to (1) commercial power, (2) irrigation, (3) municipal and industrial water supply, (4) flood control, (5) navigation, (6) water quality control, (7) recreation, (8) fish and wildlife, (9) the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by performance of the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), and (10) any other purposes authorized under the Federal reclamation laws. Costs of construction, operation, and maintenance allocated to the replenishment of the depletion of Colorado River flows available for use in the United States occasioned by compliance with the Mexican Water Treaty (including losses in transit, evaporation from regulatory reservoirs, and regulatory losses at the Mexican boundary, incurred in the transportation, storage, and delivery of water in discharge of the obligations of that treaty) shall be nonreimbursable. The repayment of costs allocated to recreation and fish and wildlife enhancement shall be in accordance with the provisions of the Federal Water Project Recreation Act (79 Stat. 213): *Provided*, That all of the separable and joint costs allocated to recreation and fish and wildlife enhancement as a part of the Dixie project, Utah, shall be nonreimbursable. Costs allocated to nonreimbursable purposes shall be nonreturnable under the provisions of this Act.

SEC. 402. The Secretary shall determine the repayment capability of Indian lands within, under, or served by any unit of the project. Construction costs allocated to irrigation of Indian lands (including provision of water for incidental domestic and stock water uses) and within the repayment capability of such lands shall be subject to the Act of July 1, 1932 (47 Stat. 464), and such costs that are beyond repayment capability of such lands shall be nonreimbursable.

SEC. 403. (a) There is hereby established a separate fund in the Treasury of the United States to be known as the Lower Colorado River Basin Development Fund (hereinafter called the "development fund"), which shall remain available until expended as hereinafter provided.

(b) All appropriations made for the purpose of carrying out the provisions of title III of this Act shall be credited to the development fund as advances from the general fund of the Treasury, and shall be available for such purpose.

(c) There shall also be credited to the development fund—

(1) All revenues collected in connection with the operation of facilities authorized in title III in furtherance of the purposes of this Act (except entrance, admission, and other recreation fees or charges and proceeds received from recreation concessionaires), including revenues which, after completion of payout of the Central Arizona Project as required herein are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said project; and

(2) any Federal revenues from the Boulder Canyon and Parker-Davis projects which, after completion of repayment requirements of said Boulder Canyon and Parker-Davis projects, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of those projects: *Provided, however*, That the Secretary is authorized and directed to continue the in-lieu-of-tax payments to the States of Arizona, and Nevada provided for in section 2(c) of the Boulder Canyon Project Adjustment Act so long as revenues accrue from the operation of the Boulder Canyon project; and

(3) any Federal revenues from that portion of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona which, after completion of repayment requirements of the said part of the Pacific Northwest-Pacific Southwest intertie located in the States of Nevada and Arizona, are surplus, as determined by the Secretary, to the operation, maintenance, and replacement requirements of said portion of the Pacific Northwest-Pacific Southwest intertie and related facilities.

(d) All moneys collected and credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section shall be available, without further appropriation for—

(1) defraying the costs of operation, maintenance, and replacements of, and emergency expenditures for, all facilities of the projects, within such separate limitations as may be included in annual appropriation Acts; and

(2) payments to reimburse water users in the State of Arizona for losses sustained as a result of diminution of the production of hydroelectric power at Coolidge Dam, Arizona, resulting from exchanges of water between users in the States of Arizona and New Mexico as set forth in section 304(f) of this Act.

(e) Revenues credited to the development fund shall not be available for construction of the works comprised within any unit of the project herein or hereafter authorized except upon appropriation by the Congress.

(f) Moneys credited to the development fund pursuant to subsection (b) and clauses (1) and (3) of subsection (c) of this section and the portion of revenues derived from the sale of power and energy for use in Arizona pursuant to clause (2) of subsection (c) of this section in excess of the amount necessary to meet the requirements of clauses (1), and (2) of subsection (d) of this section shall be paid annually to the general fund of the Treasury to return—

(1) the costs of each unit of the projects or separable feature thereof authorized pursuant to title III of this Act, which are allocated to irrigation, commercial power, or municipal and industrial water supply, pursuant to this Act within a period not exceeding fifty years from the date of completion of each such unit or separable feature, exclusive of any development period authorized by law: *Provided*, That return of the cost, if any, required by section 307 shall not be made until after the payout period of the Central Arizona Project as authorized herein;

(2) interest (including interest during construction) on the unamortized balance of the investment in the commercial power and municipal and industrial water supply features of the project at a rate determined by the Secretary of the Treasury in accordance with the provisions of subsection (h) of this section, and interest due shall be a first charge.

(g) All revenues credited to the development fund in accordance with clause (c)(2) of this section (excluding only those revenues derived from the sale of power and energy for use in Arizona during the payout period of the Central Arizona Project as authorized herein) and such other revenues as remain in the development fund after making the payments required by subsections (d) and (f) of this section shall be availalbe (1) to make payments, if any, as required by sections 307 and 502 of this Act, and (2), upon appropriation by the Congress, to assist in the repayment of reimbursable costs incurred in connection with units hereafter constructed to provide for the augmentation of the water supplies of the Colorado River for use below Lee Ferry as may be authorized as a result of the investigations and recommendations made pursuant to clause 201(a)(2) and subsection 203(a) of this Act.

(h) The interest rate applicable to those portions of the reimbursable costs of each unit of the project which are properly allocated to commercial power development and municipal and industrial water supply shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which the first advance is made for initiating construction of such unit, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for redemption for fifteen years from the date of issue.

(i) Business-type budgets shall be submitted to the Congress annually for all operations financed by the development fund.

SEC. 404. On January 1 of each year the Secretary shall report to the Congress, beginning with the fiscal year ending June 30, 1969, upon the status of the revenues from and the cost of constructing, operating, and maintaining each lower basin unit of the project for the preceding fiscal year. The report of the Secretary shall be prepared to reflect accurately the Federal investment allocated at that time to power, to irrigation, and to other purposes, the progress of return and repayment thereon, and the estimated rate of progress, year by year, in accomplishing full repayment.

TITLE V—UPPER COLORADO RIVER BASIN AUTHORIZATION AND REIMBURSEMENTS

SEC. 501. (a) In order to provide for the construction, operation, and maintenance of the Animas-La Plata Federal reclamation

project, Colorado-New Mexico; the Dolores, Dallas Creek, West Divide, and San Miguel Federal reclamation projects, Colorado; and the Central Utah project (Uintah unit), Utah, as participating projects under the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), and to provide for the completion of planning reports on other participating projects, clause (2) of section 1 of said Act is hereby further amended by (i) inserting the words "and the Uintah unit" after the word "phase" within the parentheses following "Central Utah", (ii) deleting the words "Pine River Extension" and inserting in lieu thereof the words "Animas-La Plata, Dolores, Dallas Creek, West Divide, San Miguel", (iii) adding after the words "Smith Fork:" the proviso *"Provided,* That construction of the Uintah unit of the Central Utah project shall not be undertaken by the Secretary until he has completed a feasibility report on such unit and submitted such report to the Congress along with his certification that, in his judgment, the benefits of such unit or segment will exceed the costs and that such unit is physically and financially feasible:". Section 2 of said Act is hereby further amended by (i) deleting the words "Parshall, Troublesome, Rabbit Ear, San Miguel, West Divide, Tomichi Creek, East River, Ohio Creek, Dallas Creek, Dolores, Fruit Growers Extension, Animas-La Plata", and inserting after the words "Yellow Jacket" the words "Basalt, Middle Park (including the Troublesome, Rabbit Ear, and Azure units), Upper Gunnison (including the East River, Ohio Creek, and Tomichi Creek units), Lower Yampa (including the Juniper and Great Northern units), Upper Yampa (including the Hayden Mesa, Wessels, and Toponas units)"; (ii) by inserting after the word "Sublette" the words "(including a diversion of water from the Green River to the North Platte River Basin in Wyoming), Ute Indian unit of the Central Utah Project, San Juan County (Utah), Price River, Grand County (Utah), Gray Canyon, and Juniper (Utah)"; and (iii) changing the period after "projects" to a colon and adding the following proviso: *"Provided,* That the planning report for the Ute Indian unit of the Central Utah participating project shall be completed on or before December 31, 1974, to enable the United States of America to meet the commitments heretofore made to the Ute Indian Tribe of the Uintah and Ouray Indian Reservation under the agreement dated September 20, 1965 (Contract Numbered 14–06–W–194).". The amount which section 12 of said Act authorizes to be appropriated is hereby further increased by the sum of $392,000,000, plus or minus such amounts, if any, as may be required, by reason of changes in construction costs as indicated by engineering cost indices applicable to the type of construction involved. This additional sum shall be available solely for the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel projects herein authorized.

(b) The Secretary is directed to proceed as nearly as practicable with the construction of the Animas-La Plata, Dolores, Dallas Creek, West Divide, and San Miguel participating Federal reclamation projects concurrently with the construction of the Central Arizona Project, to the end that such projects shall be completed not later than the date of the first delivery of water from said Central Arizona Project: *Provided,* That an appropriate repayment contract for each of said participating projects shall have been executed as provided in section 4 of the Colorado River Storage Project Act (70 Stat. 107) before construction shall start on that particular project.

(c) The Animas-La Plata Federal reclamation project shall be constructed and operated in substantial accordance with the engineering plans set out in the report of the Secretary transmitted to the Congress on May 4, 1966, and printed as House Document 436, Eighty-ninth Congress: *Provided,* That construction of the Animas-La Plata Federal reclamation project shall not be undertaken until and unless the States of Colorado and New Mexico shall have ratified the following compact to which the consent of Congress is hereby given:

"ANIMAS-LA PLATA PROJECT COMPACT

"The State of Colorado and the State of New Mexico, in order to implement the operation of the Animas-La Plata Federal Reclamation Project, Colorado-New Mexico, a proposed participating project under the Colorado River Storage Project Act (70 Stat. 105), and being moved by considerations of interstate comity, have resolved to conclude a compact for these purposes and have agreed upon the following articles:

"Article I

"A. The right to store and divert water in Colorado and New Mexico from the La Plata and Animas River systems, including return flow to the La Plata River from Animas River diversions, for uses in New Mexico under the Animas-La Plata Federal Reclamation Project shall be valid and of equal priority with those rights granted by decree of the Colorado state courts for the uses of water in Colorado for that project, providing such uses in New Mexico are within the allocation of water made to that state by articles III and XIV of the Upper Colorado River Basin Compact (63 Stat. 31).

"B. The restrictions of the last sentence of Section (a) of Article IX of the Upper Colorado River Basin Compact shall not be construed to vitiate paragraph A of this article.

"Article II

"This Compact shall become binding and obligatory when it shall have been ratified by the legislatures of each of the signatory States."

(d) The Secretary shall, for the Animas-La Plata, Dolores, Dallas Creek, San Miguel, West Divide, and Seedskadee participating projects of the Colorado River storage project, establish the nonexcess irrigable acreage for which any single ownership may receive project water at one hundred and sixty acres of class 1 land or the equivalent thereof, as determined by the Secretary, in other land classes.

(e) In the diversion and storage of water for any project or any parts thereof constructed under the authority of this Act or the Colorado River Storage Project Act within and for the benefit of the State of Colorado only, the Secretary is directed to comply with the constitution and statutes of the State of Colorado relating to priority of appropriation; with State and Federal court decrees entered pursuant thereto; and with operating principles, if any, adopted by the Secretary and approved by the State of Colorado.

(f) The words "any western slope appropriations" contained in paragraph (i) of that section of Senate Document Numbered 80, Seventy-fifth Congress, first session, entitled "Manner of Operation of Project Facilities and Auxiliary Features", shall mean and refer to the appropriation heretofore made for the storage of water in Green Mountain Reservoir, a unit of the Colorado-Big Thompson Federal reclamation project, Colorado; and the Secretary is directed to act in accordance with such meaning and reference. It is the sense of Congress that this directive defines and observes the purpose of said paragraph (i), and does not in any way affect or alter any rights or obligations arising under said Senate Document Numbered 80 or under the laws of the State of Colorado.

SEC. 502. The Upper Colorado River Basin Fund established under section 5 of the Act of April 11, 1956 (70 Stat. 107), shall be reimbursed from the Colorado River Development Fund established by section 2 of the Boulder Canyon Project Adjustment Act (54 Stat. 755) for the money expended heretofore or hereafter from the Upper Colorado River Basin Fund to meet deficiencies in generation at Hoover Dam during the filling period of storage units of the Colorado River storage project pursuant to the criteria for the filling of Glen Canyon Reservoir (27 Fed. Reg. 6851, July 19, 1962). For this purpose, $500,000 for each year of operation of Hoover Dam and powerplant, commencing with the enactment of this Act, shall be transferred from the Colorado River Development Fund to the Upper Colorado River Basin Fund, in lieu of application of said amounts to the purposes stated in section 2(d) of the Boulder Canyon Project Adjustment Act, until such reimbursement is accomplished. To the extent that any deficiency in such reimbursement remains as of June 1, 1987, the amount of the remaining deficiency shall then be transferred to the Upper Colorado River Basin Fund from the Lower Colorado River Basin Development Fund, as provided in subsection (g) of section 403.

TITLE VI—GENERAL PROVISIONS: DEFINITIONS: CONDITIONS

SEC. 601. (a) Nothing in this Act shall be construed to alter, amend, repeal, modify, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994), the decree entered by the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340), or, except as otherwise provided herein, the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774) or the Colorado River Storage Project Act (70 Stat. 1053).

(b) The Secretary is directed to—

(1) make reports as to the annual consumptive uses and losses of water from the Colorado River system after each successive five-year period, beginning with the five-year period starting on October 1, 1970. Such reports shall be prepared in consultation with the States of the lower basin individually and with the Upper Colorado River Commission, and shall be transmitted to the President, the Congress, and the Governors of each State signatory to the Colorado River Compact;

(2) condition all contracts for the delivery of water originating in the drainage basin of the Colorado River system upon the availability of water under the Colorado River Compact.

(c) All Federal officers and agencies are directed to comply with the applicable provisions of this Act, and of the laws, treaty, compacts, and decree referred to in subsection (a) of this section, in the storage and release of water from all reservoirs and in the operation and maintenance of all facilities in the Colorado River system under the jurisdiction and supervision of the Secretary, and in the operation and maintenance of all works which may be authorized hereafter for the augmentation of the water supply of the Colorado River system. In the event of failure of any such officer or agency to so comply, any affected State may maintain an action to enforce the provisions of this section in the Supreme Court of the United States and consent is given to the joinder of the United States as a party in such suit or suits, as a defendant or otherwise.

SEC. 602. (a) In order to fully comply with and carry out the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, and the Mexican Water Treaty, the Secretary shall propose criteria for the coordinated long-range operation of the reservoirs constructed and operated under the authority of the Colorado River

Storage Project Act, the Boulder Canyon Project Act, and the Boulder Canyon Project Adjustment Act. To effect in part the purposes expressed in this paragraph, the criteria shall make provisions for the storage of water in storage units of the Colorado River Storage Project and releases of water from Lake Powell in the following listed order of priority:

(1) Releases to supply one-half the deficiency described in article III(c) of the Colorado River Compact, if any such deficiency exists and is chargeable to the States of the Upper Division, but in any event such releases, if any, shall not be required in any year that the Secretary makes the determination and issues the proclamation specified in section 202 of this Act.

(2) Releases to comply with article III(d) of the Colorado River Compact, less such quantities of water delivered into the Colorado River below Lee Ferry to the credit of the States of the Upper Division from other sources.

(3) Storage of water not required for the releases specified in clauses (1) and (2) of this subsection to the extent that the Secretary, after consultation with the Upper Colorado River Commission and representatives of the three Lower Division States and taking into consideration all relevant factors (including, but not limited to, historic streamflows, the most critical period of record, and probabilities of water supply), shall find this to be reasonably necessary to assure deliveries under clauses (1) and (2) without impairment of annual consumptive uses in the upper basin pursuant to the Colorado River Compact: *Provided*, That water not so required to be stored shall be released from Lake Powell: (i) to the extent it can be reasonably applied in the States of the Lower Division to the uses specified in article III(e) of the Colorado River Compact, but no such releases shall be made when the active storage in Lake Powell is less than the active storage in Lake Mead, (ii) to maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, and (iii) to avoid anticipated spills from Lake Powell.

(b) Not later than January 1, 1970, the criteria proposed in accordance with the foregoing subsection (a) of this section shall be submitted to the Governors of the seven Colorado River Basin States and to such other parties and agencies as the Secretary may deem appropriate for their review and comment. After receipt of comments on the proposed criteria, but not later than July 1, 1970, the Secretary shall adopt appropriate criteria in accordance with this section and publish the same in the Federal Register. Beginning January 1, 1972, and yearly thereafter, the Secretary shall transmit to the Congress and to the Governors of the Colorado River Basin States a report describing the actual operation under the adopted criteria for the preceding compact water year and the projected operation for the current year. As a result of actual operating experience or unforeseen circumstances, the Secretary may thereafter modify the criteria to better achieve the purposes specified in subsection (a) of this section, but only after correspondence with the Governors of the seven Colorado River Basin States and appropriate consultation with such State representatives as each Governor may designate.

(c) Section 7 of the Colorado River Storage Project Act shall be administered in accordance with the foregoing criteria.

SEC. 603. (a) Rights of the upper basin to the consumptive use of water available to that basin from the Colorado River system under the Colorado River Compact shall not be reduced or prejudiced by any use of such water in the lower basin.

(b) Nothing in this Act shall be construed so as to impair, conflict with, or otherwise change the duties and powers of the Upper Colorado River Commission.

SEC. 604. Except as otherwise provided in this Act, in constructing, operating, and maintaining the units of the projects herein and hereafter authorized, the Secretary shall be governed by the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) to which laws this Act shall be deemed a supplement.

SEC. 605. Part I of the Federal Power Act (41 Stat. 1063; 16 U.S.C. 791a–823) shall not be applicable to the reaches of the main stream of the Colorado River between Hoover Dam and Glen Canyon Dam until and unless otherwise provided by Congress.

SEC. 606. As used in this Act, (a) all terms which are defined in the Colorado River Compact shall have the meanings therein defined;

(b) "Main stream" means the main stream of the Colorado River downstream from Lee Ferry, within the United States, including the reservoirs thereon;

(c) "User" or "water user" in relation to main-stream water in the lower basin means the United States or any person or legal entity entitled under the decree of the Supreme Court of the United States in Arizona against California, and others (376 U.S. 340) to use main-stream water when available thereunder;

(d) "Active storage" means that amount of water in reservoir storage, exclusive of bank storage, which can be released through the existing reservoir outlet works;

(e) "Colorado River Basin States" means the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming; and

(f) "Augment" or "augmentation", when used herein with reference to water, means to increase the supply of the Colorado River or its tributaries by the introduction of water into the Colorado River system, which is in addition to the natural supply of the system.

Mr. ASPINALL (during the reading). Mr. Chairman, I ask unanimous consent that the committee substitute amendment be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

Mr. FOLEY. Mr. Chairman, reserving the right to object, is it the intention of the distinguished chairman of the Committee on Interior and Insular Affairs to proceed under the 5-minute rule at this time?

Mr. ASPINALL. No. I can say to my colleague that this will end our work for today.

Mr. FOLEY. Then, Mr. Chairman, I withdraw my reservation.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ASPINALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3300) to authorize the construction, operation, and maintenance of the Colorado River Basin project, and for other purposes, had come to no resolution thereon.

LEGISLATIVE PROGRAM FOR BALANCE OF THE WEEK

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this time to inquire of the distinguished majority leader if there are any announcements he cares to make relative to the program for the rest of the week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I am glad to yield to the gentleman.

Mr. ALBERT. Mr. Speaker, we will continue with the program as announced previously except that the interstate taxation bill will not be called up this week. However, I would like to advise the gentleman, for the edification of the House, that after consulting with the distinguished chairman of the Committee on Ways and Means we can advise the House that the tax bill conference report will not be called up before the Memorial Day holiday.

Mr. ARENDS. I thank the gentleman.

THE LATE HONORABLE LOUIS GARY CLEMENTE

Mr. HALPERN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HALPERN. Mr. Speaker, on Monday of this week the Nation suffered a great loss. A beloved and esteemed former Member of this House, L. Gary Clemente, died of an incurable cancer at Mary Immaculate Hospital in Jamaica, N.Y.

Gary Clemente served with distinction, from 1945 through 1948, as a member of New York's City Council. Few men in the history of that body scored as outstanding a record of achievement as did Gary Clemente.

Then, from 1949 through 1952 he made an enviable mark as a member of this House, representing the then Fifth District of New York in my own county of Queens.

As a Congressman, Gary Clemente's contributions toward a better community and a better America were notable. His great works and good deeds are recorded in the annals of congressional history and serve as an permanent tribute to one of life's truly beautiful human beings.

As a civic crusader, as a lawyer, as a public servant and as a soldier, Gary Clemente was a tireless, determined fighter for the causes he believed. His military career was brilliant and his work in Army intelligence and as an Army judge advocate won wide acclaim for him.

Despite his boundless activities in public, charitable, professional, and civic life, Gary Clemente always found time

to devote to his dear wife, the former Ruth Sonnefeld, and their nine wonderful children.

To them we extend our heartfelt sympathy and assure them that the love and esteem that this humble, compassionate man had achieved shall be everlasting.

THE LATE HONORABLE LURLEEN BURNS WALLACE

Mr. ANDREWS of Alabama. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ANDREWS of Alabama. Mr. Speaker, Alabama suffered a severe blow in the wee hours of May 7 when our 47th Governor, Mrs. Lurleen Burns Wallace, died. For weeks it had been obvious that the end of the short life of Lurleen Wallace would be soon. And yet no one is ever prepared for the finality of death.

She died at an age when most mothers can begin to relax and enjoy the families they have ministered to and cared for during long years when there seemed no end to the drudgery. This was tragic for her but profoundly more tragic for the husband and children who must live without her. The courage and indomitable will of Mrs. Wallace in her long fight against cancer are gifts of example she bequeathed to every Alabamian, every American.

Lurleen was, in a very real sense, a queen untouched by the swirl and heat of partisan politics. She was sui generis, and died with the affection and grief of virtually every Alabamian, regardless of political persuasion. Queens die proudly, and I believe she did, serene in the knowledge that surely the greatest of her contributions was the compassionate interest which led to major advances in mental health. Still fresh in the memory of most Alabamians is the scene of her weeping after touring the wards of those suffering from the cruel ravages of the mind. It was here she resolved to do what she could for these people and those to follow them. She did more than any Governor ever has, but of higher importance than the program she sponsored was the womanly compassion with which she presented the case. That did more, perhaps, than has ever been done in Alabama to disabuse Alabamians of the still persistent notion that there is something vaguely evil about mental illness. Because she cared, uncounted thousands will be relieved of misery greater than any physical pain.

This above all can be said of Gov. Lurleen B. Wallace: neither the State of Alabama nor any other State has ever had a chief executive for whom there was a much genuine affection and so little of the ill will which usually goes with public office.

On a bright, sunny day in January, nearly a year and a half ago, Lurleen Burns Wallace took the oath of office as Governor of Alabama and told the people who had elected her:

I pledge to you that I shall do my duty to you in honesty and with conviction. With God's help and guidance and with wise counsel to call upon, I shall make you a good governor. I ask your prayers that I shall not fail you in the trust that you have placed in me.

She was 40 years old at the time, and she had been elected by the largest majority ever enjoyed by an Alabama Governor. She was running against nine male opponents, including two former Governors and a former Congressman and in the May primary surprised even her most ardent admirers and the most partisan Wallace supporters by winning without a runoff. It was a long road traveled in a short time by the Tuscaloosa-born Lurleen Burns who had childhood ambitions of becoming a nurse.

It was evident in her life and in her short service as Alabama's first woman Governor that, as seriously as she took the office fortune gave her and death took away, it remained for her a priority lower than her obligations as a wife and a mother. This is as it should have been, since she symbolized for many the family ties and home environment which Alabamians still believe is their greatest heritage and strength. She lived by a rule as old as civilization: The family comes first. Courage, loyalty, faith, and old-fashioned ideas about the role of wife and mother—these are the attributes which should be her monument, along with her interest in and successful program for the mentally ill.

May her family find comfort in the sure knowledge that no woman in Alabama's history has been so honored and so mourned. That should be an inspiration to them all of their lives.

THE 33D ANNIVERSARY OF THE REA

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, the House was not in session on May the 11th, the occasion of the 33d anniversary of the Rural Electrification Administration, therefore, today I would like to call your attention to the role that our Nation's rural electric cooperatives have taken in an effort to lift the standard of living for millions of rural people.

Electric cooperatives financed by REA, have moved into the forefront of rural progress. In providing service to more than 20 million rural Americans during a relatively short span of 33 years, the dedicated men and women who operate these systems have helped to build an environment making rural America a better place to live, work, and play.

But the role of REA-financed electric co-ops, and telephone systems too, does not stop here. In their eager and successful determination to help return man to these rural areas where they operate, they have combined their talents and resources to create jobs for those who seek opportunity in rural America. And the task is being accomplished; it is being accomplished with the same fortitude that rural electric leaders have used since REA's creation—May 11, 1935—in making available the benefits of electric power and modern communications to 98 percent of rural America through low-cost financing from REA.

A national survey completed early this year, reveals that REA-financed systems have helped to create 34,000 new jobs during 1967 through their rural areas development activities. These jobs were created in rural areas of the Nation, through 616 projects launched with the help of these systems.

The new jobs brings to 216,000 the total number of jobs created with the help of REA borrowers since the rural areas development programs of the U.S. Department of Agriculture began in 1961.

Employment opportunities stem from commercial, industrial, and community facilities projects undertaken with the assistance of REA borrowers working with other Federal agencies and local organizations in the development of new rural businesses and the expansion of existing ones.

This is a tribute to the responsible spirit of citizenship prevailing in the REA programs.

Yes, this is truly a tremendous accomplishment of which all concerned—private citizens and Government officials alike—can view with justifiable pride.

DISCONTINUATION OF USE OF REVENUE BONDS

Mr. DENNEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. DENNEY. Mr. Speaker, on March 6 of this year the U.S. Treasury Department put an end to one of the most effective economic development tools ever employed in our Nation. For more than 30 years, States, counties, and municipalities have used revenue bonds to provide employment in underdevelcped areas. The bonds were a unique development tool in that they did not require appropriated funds from any level of government, they did not require the use of credit by any level of government, and they were not an obligation of any governmental unit. Now, by administrative regulation, this important employment tool has been destroyed, and with it a substantal part of the economic development program of my State of Nebraska and 41 other States.

Unfortunately, this development tool is not understood by those who destroyed it. It creates governmental revenue—it does not curb it; and it provides employment where no other tool can. It has provided incomes in areas where no employment opportunities are available. It has kept our nonurban areas from dying, and it has retarded the trend toward more heavily impacted population

centers. No Federal appropriations are required to administer it; and in most States a commitment can be made in as little as 30 days.

Perhaps the greatest assets of revenue bonds for industrial development purposes are their simplicity and their comprehensive character. The land, the construction, and the equipment can be assembled by the use of a single issue. No complex financial arrangements are necessary, and operating capital can be kept for operating purposes. In Nebraska these bonds are the heart of our economic development program and no substitute will match their speed, simplicity, and character. Their destruction is a disaster to every one of our States that utilize them.

My colleague, the distinguished junior Senator from Nebraska [Mr. CURTIS], has made a valiant effort to undo the Treasury's action by securing passage of an amendment to the pending excise tax extension bill, H.R. 15414, rescinding the Treasury's action. The summary of the decisions of the conferees on H.R. 15414 states that the conferees have decided that the income on these bonds should be taxable in the case of any issue over $1 million. This provision is to be effective with respect to bonds issued on or after May 1, 1968, except where a commitment has been made before that time.

I have been informed by the States using the bonds that a limitation of not less than $10 million would permit this program to continue to provide a substantial measure of employment for areas that would not otherwise have it. A limitation of substantially less than this amount would severely handicap this program. Today very little in the way of employment can be created with production facilities costing substantially less than $10 million.

Furthermore, no large industrial corporation, or conglomerate, needs or wants industrial development bonds involving construction of facilities costing less than $10 million. Such amounts are usually taken from surplus or reserves. Bonds issued in amounts of less than $1 million are usually for warehouse, storage, or garage facilities that employ little or no personnel.

If revenue bonds for industrial development purposes are to be preserved as an effective economic development tool providing substantial employment, a dollar limit should not be set below $10 million. I assure my colleagues in the House and Senate that if such a limit is set, these issues will not be used by large corporate enterprise, but by small- and medium-sized firms who could not otherwise find the capital to expand or add to their existing facilities.

POOR PEOPLE'S MARCH

Mr. STEIGER of Arizona. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. STEIGER of Arizona. Mr. Speaker, the Poor People's March on Washington raises many questions about legislation—and it raises others, as well.

No one who believes in constitutional government is opposed to the right of petition, and I am certainly not out of sympathy with the hopes and desires of our less fortunate citizens.

But this march is more than simple petitioning.

Its leaders have declared that among its goals is enactment of legislation specifically designed to provide the Nation's poor with economic relief. This obviously goes far beyond the petitioning process.

Here we become involved with an effort to influence Congress, a move to influence the course of legislation and to seek new legislation.

This raises certain questions about the financial support of the Poor People's Campaign.

The Southern Christian Leadership Conference, which is leading this campaign, is a tax-exempt civic organization barred by law from participating in political activity.

I believe it is incumbent upon the Internal Revenue Service to determine whether the SCLC's stated goals constitute political activity and whether SCLC funds are being spent on this activity.

I believe the IRS should also determine whether any tax-exempt foundation or organization specifically barred from political activity has provided or has agreed to provide financial assistance to the Poor People's Campaign.

There are many foundations in this country that have become deeply involved in the support of civil rights and economic welfare programs. It is altogether possible that funds for some programs, particularly in the South, may have been diverted into this campaign.

There is ample recent precedent for action by IRS. It was not too long ago that the Sierra Club, a group promoting conservation, lost its tax exemption because it sponsored newspaper advertising calling for the defeat of legislation that would have dammed part of the Grand Canyon.

If this was political activity in violation of the Sierra Club's tax-exempt statute, as the IRS has ruled, it must follow that the Poor People's Campaign—with its avowed purpose of influencing Congress—is also political activity.

Mr. Speaker, it is only right that what is done in one case should be done in another of a similar nature.

There is a certain irony here, too. What if there is violence, what if there is killing during the encampment in West Potomac Park? We certainly pray that such will not occur again in our Nation's Capital.

But if violence does occur, and tax-exempt funds have helped to bring it on, then this puts the Federal Government in the unique position of having subsidized lawlessness.

As I said earlier, Mr. Speaker, we all sympathize with the plight of our poor. But the laws should be applied equally to all.

I have asked the Internal Revenue Service for a thorough investigation of the funding of this campaign to determine whether the SCLC or any other organization has contributed funds, directly or indirectly, in violation of the law. I have also asked IRS whether it has any knowledge that such expenditures are contemplated, by direct or indirect means, by any such organization.

I have asked the IRS for a ruling on whether such spending by the SCLC or any other group similarly barred from political activity would cause that group to lose its tax exemption.

PROPOSED NATIONAL COMMISSION ON YOUTH PROBLEMS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, all any country has for its tomorrow is its youth. The problem of our society's relationship with its young people pervades every issue before the American people this critical year of 1968.

War, poverty, crime in the streets, civil disorder—all these issues are affected by this all-pervasive problem, which truly involves the future of our Nation.

I know that there are those who say that what we have seen occur on our campuses and in the streets of our country in recent months involves only a small minority. But I, for one, take no comfort from such a view. For the fact is—and every American parent today knows it—that there is a dangerous generation gap developing between our society and its young people.

The events of recent months have puzzled, and in some cases angered, the people of our society who can no longer classify themselves as young. Older Americans, middle-aged Americans, do not understand what is happening on many of our campuses, in our streets, at universities, and in cities throughout the country.

They ask:

What is happening to our youth?

It is a question not unique to our society or our times, of course. Every society has had to cope with problems concerning alienation of the young. The pattern is well known:

The society blames the young people.

The young people, in turn, blame the society.

We hear it said that the times are too soft—that standards of morality are breaking down or being corrupted—that the young generation of Americans, not having had to sacrifice for its freedom, does not appreciate it.

In their turn, youth claims it is misunderstood—that the standards appropriate to a former era do not apply today—that, in the words of a popular young folk song, "Times, they are a 'changin'."

That, as I say, is the established pattern. Variations on this theme can be found in the Bible. And Socrates, we

remember, was brought to trial for his alleged role in corrupting the youth of Athens. Thus, in perspective, we understand that the gap between generations is really as old as man's life on earth itself.

And yet, in this year of 1968, there is a difference between the problem our society faces and that faced by former societies. This is true in America. It is true in Western Europe. It is even true in Communist-bloc states of the world.

Youth is restless. It is increasingly activist. It is in what might be called a state of cold war against organized society and institutions.

Nor is the war always cold. We have seen youth in other countries take to the streets in recent months. We have seen American youth, of all races, in the streets and disrupting our university campuses.

Not long ago, I experienced firsthand one aspect of this battle between the generations, when the students of Tuskegee Institute in Alabama took over the school's administration building. As a member of the Tuskegee board of trustees, I was held in that building, along with other trustees, after students had presented a list of demands regarding the operation of the school.

I shall not go into detail regarding that experience, other than to say that since that time I have given considerable thought to what lay behind the demonstration at Tuskegee.

What has since occurred at Columbia University in New York, and at other institutions, confirms my belief that the cause of such demonstrations is not as simple as first appears.

Neither is there any simple answer to bridging the generation gap between modern youth and what they see as the social establishment. Certainly, there must be a return of discipline and order to our campuses and our cities. But beyond this, a greater effort must be made to determine the root causes of youth problems in modern American society.

Statistics alone point out why we cannot ignore these problems.

Almost 50 percent of our country's population today is age 25 and under.

More than 50 percent of our young adult population attend colleges.

There are more young people—and they are better informed and more aware than preceding generations. The 20th century revolution in communications, transportation, science, and medicine, has had its impact on the physical and intellectual development of the young.

Improved environmental conditions and better nutrition have actually speeded up the maturation process itself, according to a report published in a recent issue of the Scientific American.

Can any society afford to take for granted the problems of nearly 50 percent of its population? Can we afford a gap between the social organization and such a sizable segment of our people?

I think not. It is time that we stopped wringing our hands over the problems of America's younger generation, and started finding out exactly what—in the vernacular of that generation—is bugging them.

For my own part, I have determined that the old answers and approaches, good for other eras, are not adequate for the problems of youth today. Nor do I believe we can complacently take it for granted that this generation, like previous generations of rebels, will come around in time.

In a modern nuclear age, the margin of time is not that great. We must examine a problem of this magnitude with fresh eyes. We must take a new look at society's relationship to its young people and the capabilities of young people of 1968 to assume a larger share of responsibility in society itself.

What can be done?

First, we must recognize that what is happening among our young people is a unique problem and must be approached as one. It would seem to me that a society which has recognized the importance of other urgent problems affecting our population ought to do the same in the case of the problems of our youth.

We have had national study commissions to study the problems of the aged; to study in depth the problems surrounding enforcement of civil rights; and recently, to study the problem of civil disorders.

These commissions were comprised of experts who reported back to the Chief Executive their findings and recommendations in those respective fields.

I think we can do no less for such an urgent matter as finding out and doing something about bridging the generation gap.

It seems to me, therefore, that what is needed is a National Commission on Youth Problems. This Commission would study and come up with recommendations as to how our traditional legal and social structure applies to today's youth; how effective our educational system is in preparing today's youth for the challenge of living in a modern world; whether our laws regarding voting age, the age of legal majority, and other laws regulating youth in our society are effective and relevant to the modern age.

I believe this special Commission should be composed of 15 members, eight to be appointed by the House and Senate, seven to be appointed by the President.

For such a unique problem, there needs to be a unique Commission, one reflecting a mutual concern of both the legislative and executive branches of government. The National Commission on Youth Problems in American society should, therefore, be a joint congressional-executive commission, and it should provide for representation of the young people themselves; that is, leaders and representatives of American youth should participate in the findings and recommendations of the Commission. These representatives should be selected from nongovernmental segments of American society.

I would hope that, like the National Commission on Civil Disorders, the National Commission on Youth Problems would be able to report back its findings and recommendations within a year after its formation. These findings and recommendations would be comprehensive, including scientific, medical, legal, social, political, and economic aspects of the problem.

Today I am introducing a bill providing for the establishment of a National Commission on Youth Problems and containing the provisions I have outlined. It is my hope that the appropriate committees of the House and Senate will take prompt action in reporting it out.

Ralph Waldo Emerson said that America is a country of young people. He did not simply mean, I would venture to say, young in terms of chronology, but young in terms of ideas and ideals. We have nurtured and brought our American dream along for nearly two centuries now, handing it from generation to generation. The challenge of our time—the challenge of young and old alike—is to reach out—to seek to understand—to bridge the gap of misunderstanding between Americans of all races, creeds, and ages.

I include the text of the bill to establish a National Commission on Youth Problems, which follows:

H.R. 17289

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is established a commission to be known as the National Commission on Youth Problems (hereafter referred to in this Act as "Commission").

DUTIES OF COMMISSION

SEC. 2. The Commission shall conduct a comprehensive study and investigation of the role and responsibilities of youth in modern America society, including the impact of scientific, technological, legal, social, and economic factors upon American youth.

MEMBERSHIP

SEC. 3. (a) The Commission shall be composed of 15 members:

(1) Four Members of the House of Representatives to be appointed by the Speaker;

(2) Four Senators to be appointed by the President of the Senate; and

(3) Seven members, including representatives of American youth, to be appointed by the President.

A vacancy in the Commission shall be filled in the same manner as the original appointment was made.

(b) Members shall be appointed for the life of the Commission.

(c)(1) Except as provided in paragraph (2), members of the Commission shall each be entitled to receive $75 for each day (including travel time) during which they are engaged in the actual performance of duties vested in the Commission.

(2) Members of Congress and full-time officers or employees of the United States shall receive no additional compensation on account of their service on the Commission.

(3) While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as the expenses authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

(d) Eight members of the Commission shall constitute a quorum.

(e) The Chairman of the Commission shall be designated by the President.

(f) The Commission shall meet at the call of the Chairman or a majority of its members.

DIRECTOR AND STAFF OF COMMISSION

SEC. 4. (a) The Commission shall have a director who shall be appointed by the Chairman, and whose compensation shall be determined by the members of the Commission.

(d) The Commission may appoint and fix the compensation of such other personnel as it deems advisable.

(c) The Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

POWERS OF COMMISSION

SEC. 5. (a) The Commission may for the purpose of carrying out this Act hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission may deem advisable.

(b) When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(c) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this Act. Upon request of the Chairman of the Commission such department or agency shall furnish such information to the Commission.

REPORT

SEC. 6. Not later than one year after the date of the enactment of this Act, the Commission shall submit a final report to each House of Congress, and to the President.

TERMINATION

SEC. 7. The Commission shall cease to exist 90 days after submitting its final report pursuant to section 6.

THE TAX INCREASE PACKAGE—CONGRESS SHOULD MAKE SPECIFIC REDUCTIONS

Mr. WYMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. WYMAN. Mr. Speaker, in an editorial entitled "Why a Tax Increase Is Now Imperative" appearing in its issue of May 17, Life magazine says in part:

> . . . but the whole economy will be hurt badly if this unchecked inflation is allowed to spiral. And maybe the politicians who allowed it to start will suffer at the polls this fall. It is a nice question whether the inflation will be as much of a voting issue as the tax increase necessary to control it."

I voted against the tax reduction in 1964. I said then, and subsequent events have established the fact, that a tax reduction in a time when the Government was being operated in the red was wildly inflationary. It was then as potentially explosive as pouring gasoline on hot coals. What has happened to the economy was as inevitable as it was predictable. The inflation that is upon us has harmed every American citizen. Unless there is a restoration of a semblance of balance in our national budget and an end to the huge deficits of the Johnson administration, there can be permanent damage to the economic structure of this Nation.

I want no part of continuing monstrous deficits. To be sure of ending them, this Congress, at this hour, ought to legislatively require specific spending reductions. Speaking as one member of the Appropriations Committee, I believe it is our responsibility to the American people to cut the $6 billion out of the present budget and not leave the cutting to a frankly hostile President who has repeatedly expressed his reluctance to do this.

Leaving the cuts to the President means more politics in this time of fiscal crisis. He is going to prune right where it hurts the most in every congressional district in terms of public reaction, whether or not the cut ought to be made. It means cuts in school lunch programs again, and urban renewal funds, and road money, and educational retraining programs, and anywhere else this politically oriented President can make hay in politically retaliating against a Congress that, just the other day he said on national television, was trying to blackmail him. His objective will be to force the Congress to restore the cuts, or at least $2 billion of them. This, too, is predictable.

In such a situation it is our responsibility in this Congress to make the specific cuts now and in the tax package. Is there no one in this great body who is willing to assume the responsibility and initiative of making the basic decisions in respect to priorities in spending that must be made if we are to achieve a semblance of national solvency once again? If we are to win in the war against inflation in America, a war that we in Congress fight for the people of the United States against a recklessly profligate Democrat administration that has danced for 8 long years without once paying the fiddler, we must establish these priorities and make these cuts.

The proportion of the fiscal crisis that has been forced upon the American people and that is now with us at this hour makes it incumbent on the Congress that it establish priorities regardless of political party. If we fail, the dollar may have to be devalued, and if this happens I predict the American voters will turn those responsible, out of office wholesale this fall, as well they should. The urgency of the situation is reflected in the fact that experts tell us that unless Congress acts now to restore balance, devaluation of the dollar may be forced upon us before November.

In such a crisis, if it were a Republican administration that had gotten us into this mess, I would protest it and act to resolve the situation even if it meant congressional action counter to a President of my own party. But it is not a Republican President who has overspent our income by more than $10 billion since 1960 alone. It is President Johnson and a controlled majority in this and prior Congresses who share the responsibility and who deserve the wrath of the electorate. We are in deep financial trouble because of L. B. J. and company and this Congress must now bail out the boat lest we all go down. Once this is done, perhaps we can return to squabbling about party politics. But until it is done, the situation is too serious to warrant further delay. The Democrat Members of this House owe it to the American people to make these cuts and make them now even if L. B. J. squawks to high heaven. Even if it means that perhaps there will not be a particular new post office building or flood-control project in a given Member's district this year.

Mr. Speaker, what is needed here is a firmness of resolve to do what needs to be done to save this country from printing press money. Perhaps a better phrase for it would be "guts to make the cuts."

To those who ask where, the answer is easy but the application will hurt. Public works programs can be deferred and stretched out to cut back $2 billion in spending. Foreign aid can—and should—be reduced a billion. The space program can stand another three quarters of a billion. All Government agencies should be required to take a 5-percent spending reduction both administratively and operationally. This alone will produce more than $5 billion in expenditure reductions without even getting into the farm programs, or the spending proposals for urban areas which because of the crisis in the cities may be of a higher priority at this time than the space program for example.

To do these things will take courage and decision. Of course it will hurt and there will be protests. This is expectable. But the protests and the name calling will be nothing next to the roar of a people whose dollar is devalued. We can prune $6 billion from this budget but first we must find some men in this Congress and get rid of the boys.

Mr. Speaker, unless we do this, I repeat the language of Life's editorial with which I started these remarks:

> Maybe the politicians who allowed it to start will suffer at the polls this fall.

To have a meaningful tax increase so that the tax package will give all Americans surcease from runaway inflation, this Congress must make specific cuts in the coming tax package. Anything less is a breach of faith with the responsibility that is ours on the Appropriations Committee and as Members of this great body.

The Appropriations Committees of both Houses should immediately convene and recommend to the conferees on the tax bill $6 billion in specific cuts. I urge such action today.

PRESIDENT JOHNSON PRESENTS THE MEDAL OF HONOR

Mr. MAHON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, yesterday, I had the honor of being present at the dedication of the Hall of Heroes in the Pentagon, a room set aside in the memory of the more than 3,200 men who have won the Nation's highest military award, the Medal of Honor.

Four new names were added to that list yesterday: Charles C. Hagemeister, U.S. Army; Richard A. Pittman, U.S. Marine Corps; James E. Williams, U.S. Navy, and Gerald O. Young, U.S. Air Force.

President Johnson spoke at the ceremony and his remarks reflected two emotions—pride at the bravery of our fighting men, and sorrow at the human cost of this bravery. He repeated George Washington's words, spoken in deep concern and anguish at the time of this Nation's first war—"Good God, what brave men must I lose today." Then, looking ahead to the future, he said:

As we meet here, other men—in Paris—are begining the very hard negotiations that we hope will one day silence the guns in a free Vietnam.

I am sure that those thoughts are echoed by millions of Americans.

I insert the text of the President's remarks in the RECORD, as follows:

REMARKS OF THE PRESIDENT AT THE MEDAL OF HONOR CEREMONY AND DEDICATION OF THE HALL OF HEROES

Secretary Clifford, Members of Congress, Secretary of the Services, Members of the Joint Chiefs of Staff, Members of the Joint Chiefs of Staff from some of our neighboring nations, Distinguished Guests, Ladies and Gentlemen:

It was in August of 1776, the month after the Continental Congress announced the American people's Declaration of Independence, that George Washington's troops were struggling to make their independence a reality—with their rifles.

Fired by the glory of his cause, but aware always of its terrible costs, Washington voiced the words that have whispered in the mind of every leader since that time—every leader who has had to commit men to the agony of battle:

"Good God, what brave men must I lose this day."

In the mind and in the heart of this President, those words have echoed without stop throughout the hours of many days and many long nights.

Thirty-three times I have awarded the Medal of Honor to America's fighting men. On 19 of those occasions, I have been able to make the presentation myself.

Each ceremony has been—for me—one of emotions in deep conflict.

First of all, there is pride. Any man is exalted who stands in the presence of bravery.

But there is always, too, a haunting and humbling awareness that it is the battlefield which illuminates the courage that we honor.

Today we confer the Medal of Honor on four more gallant Americans. This is the first time that four men—from each of the military services—have been so honored together.

As we meet here, other men—in Paris—are beginning the very hard negotiations that we hope will one day silence the guns in a free Vietnam.

Diplomacy's painful work now is to forge, from the fires of hostility, the way in which men can live without conflict and in mutual accord.

The world prays that the way to peace will be found at that distant table—the peace with honor for which these men, and their comrades, have fought so long and so nobly.

When it comes, that peace will be the monument of many men. Among them are Charles C. Hagemeister—Richard A. Pittman—James E. Williams—and Gerald O. Young. They will place their names now in a new Hall of Heroes, created here in the Pentagon as a memorial to all who have earned their country's highest award for courage in combat.

In that Hall, which we open here today, a noble muster rings out, calling: "valor—in the service of our country."

And—from every hour of America's need, from every crisis of America's history—the answering call comes back: "here, sir . . . here, sir."

In this Hall of Heroes, 3,210 men—who have served above and beyond the call of duty—stand guard on a Nation's pride, and on the freedom that those men have bought so dearly.

Thank you.

ACTION AGAINST CRIME

The SPEAKER. Under previous order of the House the gentleman from Illinois [Mr. FINDLEY] is recognized for 30 minutes.

Mr. FINDLEY. Mr. Speaker, during the time I speak with you today, 126 major crimes of violence will be committed in the United States. There will be 10 robberies, 15 assaults, one rape, 40 automobile thefts, 90 burglaries, one murder, and 60 thefts exceeding $50. This toll of crime is staggering. The prevention of crime is the No. 1 domestic political issue and enough Americans feel concerned about it that 28 percent of them want to move their homes to a safer neighborhood. Yet if present trends continue there will be no place for them to move. The FBI has reported that 1967 marked the highest crime index level and the greatest 1-year increase in the history of this country. During 1967 a serious crime was committed every 8 seconds. Counting all crimes, felonies and misdemeanors, more than 10,000 are committed a day. In no category of crimes has there been a decrease either in total number or percentage.

Yet despite all the talk on crime more heat than light has been cast on the matter. Many people believe that the same methods to prevent, say, welfare "chiseling" will prevent rape. Draft resisters are somehow equated in the minds of many people with auto thefts. Gun control and registration laws have been flaunted as a panacea to everything.

My purpose today is to discuss briefly three types of criminal conduct and suggest some approaches that could be undertaken to meet these threats.

As I see it there are essentially three types of criminal activity. There is first organized crime. This type of crime involves not only the gambling and number rackets but reaches out to include loan sharking, narcotics, and the like. Personal crimes of violence are a second type. Here we find murder, criminal assault, theft, burglary, and so forth. A third type, and perhaps most dramatic, involves either civil disobedience and/or violent civil disorders such as rioting. These three categories are not mutually exclusive. Components and organizers of one may be involved in one or both of the other activities.

ORGANIZED CRIME

In many important respects, organized crime is the most sinister kind. The men who control it have become wealthy, influential, and powerful by encouraging the needy to gamble, by luring the troubled to destroy themselves with drugs, by extorting the profits of honest and hardworking businessmen, by collecting usury from those in financial plight, by maiming or murdering those who oppose them, by bribing those who are sworn to destroy them. Organized crime is not merely a few preying upon a few. Instead its tentacles reach out across the land, into courthouses and statehouses alike. Organized crime in a very real sense is dedicated to subverting not only American institutions, but the very integrity and decency that are the most cherished attributes of a free society. As the leaders of Cosa Nostra and their racketeering allies pursue their conspiracy unmolested, in open and continuous defiance of the law, they represent a fact that all too many Americans heed: The government is for sale; lawlessness is the road to wealth; honesty is a pitfall and morality a trap for suckers.

The extraordinary thing about organized crime is that America has tolerated it so long. The prime victims of organized crime are the urban poor. A society concerned about poverty must be concerned about organized crime—for while Federal money is poured into the urban poverty areas, organized crime siphons money out of the same areas. Badly needed funds from welfare programs go to the urban poor and organized crime takes the same money away through narcotics, number games, gambling, and drug addiction, and the "protection racket." Continued indifference to organized crime threatens to turn government welfare and antipoverty programs into a subsidy for society's most notorious predator.

In view of these developments it may come as a shock to you—as it does to me—to learn that the Congress is not enacting substantive legislation on organized crime. True, the administration did send to the Congress a so-called safe streets bill, but this was not aimed at combating organized crime.

Yet early in 1965 President Johnson told the Congress that he had ordered his Attorney General to enlarge his efforts against organized crime. He told the Congress he would submit legislative proposals dealing with this subject. More than 3 years later the Congress has still not received the proposals. You will not find this surprising when I tell you that not only has the administration not sent any legislation to the Hill on organized crime, it has actually made drastic cutbacks on its efforts. Notwithstanding the President's declaration in 1965 that the Attorney General and the Federal Government would "enlarge" their efforts, consider these facts: The number of man-days spent in field investigation by members of Organized Crime Section, the number of man-days spent testifying before grand juries, and the number of man-days spent in court have decreased between 50 and 75 percent.

Yet during this same period the FBI reported that the national crime rate had increased by over 38 percent.

Many actions of the present administration have had the effect—whether desired or not—of actually encouraging and assisting organized crime. Consider these developments:

First. The National Crime Commission was influenced by the Attorney General to reverse an earlier recommendation for wiretap legislation. The fact is undeniable that organized crime was the principal beneficiary of President Johnson's bill to abolish all use of wiretap and eavesdrop devices except in national security cases.

Second. In his 1967 message to Congress on crime the President ignored almost every single recommendation on organized crime made by his National Advisory Commission on Law Enforcement and Administration of Justice.

To help meet the problems of organized crime I have introduced several bills which will give the Attorney General and the Department of Justice the tools they need. One bill would authorize electronic surveillance in certain clearly defined specific cases by police and other law enforcement officers engaged in the investigation of organized crimes. The bill would provide judicial safeguards to prevent an abuse of this surveillance. Another bill would amend the Sherman Act by prohibiting the investment of certain illegal income in any business enterprise affecting interstate or foreign commerce. This would help prevent penetration of legitimate businesses by the Mafia. A third would permit the compelling of testimony with respect to certain crimes and the granting of immunity thereafter. Hopefully, this would encourage those in the organized crime network to assist the police in divulging inside information with a protection of personal immunity against subsequent criminal action.

CRIMES OF VIOLENCE

Although organized criminal elements often engage in personal crimes of violence, most of these crimes are unorganized—at least in the sense of any continuing organization. Often they are committed by a single individual with a previous criminal record. Crimes of violence generally attract the most attention from the public and the press. Ironically the greater the incidence of crime, the greater the chances the culprit will never be apprehended. For instance, 90 percent of those who commit murder are subsequently apprehended, but only 10 percent of those who commit petty larceny are caught by the police. The frustration of unsolved crimes of personal violence mixed with the wide newspaper coverage given the actual violence has resulted in a national hand wringing in which almost everyone and everything has been blamed.

I suspect that the real problem is not so much the prevention of crime but the apprehension of the criminal. While poverty, unemployment, and discrimination undoubtedly influence criminal behavior, it would be misleading to attribute all crime to these causes. Certainly we should not forgo our national commitment to redress social wrongs and injustice, factors so easily exploited by extremists. But shooting, robbery, and looting cannot be tolerated.

Nor is it adequate—or reasonable—to make the Supreme Court the principal increase in crime. Although the celebrated Miranda case may well deserve scapegoat, blaming it primarily for the review and possibly reversal, one of the Nation's most effective and responsible law enforcement agencies—the FBI—has long followed the essential guidelines laid down in the Miranda and the Escobedo cases.

To understand what is involved here let us take just a moment and list briefly what the Supreme Court held in Gideon, Miranda, and Escobedo. In Gideon the Supreme Court held that no man could be convicted of a crime without the benefit of legal counsel. How many of us would be willing to appear in court—even on a minor offense—and try to match wits with the prosecution or the district attorney without benefit of legal counsel? Not many, I suspect.

In Escobedo, the defendant repeatedly asked to consult his attorney who was barred from the room by the police. Suppose you were being questioned in a police station and demanded to see your attorney and were told you could not, how would you feel? Would you believe your right to "due process of law" was being protected? Again, I think not.

In the Miranda case the Supreme Court held that a defendant must be warned he has a right to consult an attorney. The suspect must be apprised of his right to remain silent. The fifth amendment guarantees the right to maintain silence. The defendant is to be told that anything he says may be used against him in court.

I suspect that a great many Americans would be surprised to know that it was not until 1967 that the Supreme Court spelled these rules out and that until then they had not been observed in some areas.

The defendant may be the worst of men, but the rights of the best of men are secure only so long as the rights of the vilest and most abhorrent are protected. There are some fine people in jail today in Greece, in prison in Cuba, dead in Haiti, or vanished forever behind the Iron Curtain. They were nice folks, until the State said they were not. There is no innocence in this world unless the individual has the right to assert his innocence and compel the state to prove it to his fellow men. To deny due process to any man is to deny it to ourselves and to our children. To give full constitutional rights to Gideon, to Escobedo, Miranda, Malloy, and Mapp is to give them the rights we want preserved for ourselves. Guilt or innocence is decided in a court of law, not in a police station squadroom.

Most of us believe that it is better that some criminals should escape than that the innocent should be imprisoned. In the development of our liberty, insistence upon procedural regularity has been a large factor. The U.S. Constitution says that no man's life or liberty shall be taken except by "due process of law." The concept of "due process of law" is central to our concept of criminal justice. It is respect for due process of law that is our bulwark against a police state. Those who would seek to deny it to some endanger it for all of us.

We must not deal with crimes of violence at the expense of basic liberties.

Crimes of violence in the United States are a continuing national tragedy and challenge of gigantic dimensions. Although this frightening picture of lawlessness and violence has certainly not been a secret to anyone, very little actually is known scientifically about the complex causes and possible cures of crime. General observations are not much help. Slums cause criminal violence—it is argued. This may be true but it does not necessarily account for the rising incidence of crimes committed by the children of "suburbia," by the "white collar" employees of stores and corporations, by bored and frustrated students on the campuses of highly reputable colleges and universities.

Others have blamed crime largely on drug addiction, "soft" judges, short sentences, hobbled police, public apathy, urban living, broken homes, fatherless children, and racial factors. The truth is there is no single explanation of criminal violence. It occurs in every part of the country and in every level of society. Its practitioners and its victims are people of all ages, incomes, and backgrounds. Its trends are difficult to ascertain. Its causes are legion and its cures are speculative and controversial.

There is, however, one very important thing that can and should be done. Notwithstanding some occasional lemons, the police forces of America constitute our very best and our first line of defense against crime. Without these dedicated, courageous law officers America would be a jungle of cringing fear, violence, and death. By exposing themselves to danger law officers buy safety for each of us and keep the crime rate—shocking though it is—from skyrocketing. In a single 8-hour shift police officers are each exposed to more danger than most of us will encounter in a lifetime. They deserve a pat on the back, not brickbats on the head. They deserve applause and our support, not our jeers, apathy, and indifference. In remaining silent and unappreciative we unwittingly strengthen the hand of the criminal whose objective is to weaken law and order. Each one of us in his own community should examine and see whether his local police are getting the support they need. Are their salaries adequate? What about retirement benefits? Is the job of policemen made attractive enough to hold the best men?

Every third day a police officer is killed in the line of duty somewhere in the United States. Yet death benefits for their widows and children are almost nonexistent in many cases. I have felt for some time that we should establish a fund which will give assurance to every policeman in the United States that if he dies in the line of duty any financial problems confronting his widow and children will be adequately and properly met, including a regular income to the widow until the children reach the age of 21.

Widows of American servicemen killed in line of duty to defend the freedom of South Vietnam are given death benefits of $10,000. Surely to widows of American policemen—who are, after all, defending our own freedom—should be given equal benefits.

CIVIL DISOBEDIENCE

A third level of crime needs close examination and appraisal. A protest marcher or student or one engaged in civil disobedience is hardly guilty of anything more than a misdemeanor. He may be sentenced to a very brief jail term or a small fine may be imposed. In no case, however, is the penalty severe. Yet in many respects mass civil disorders weaken the fabric of our society far beyond the magnitude the penalty would suggest.

Today we must face the fact that a climate has been created in the country that approves and encourages violence as a form of protest. This atmosphere has been created by a combination of forces: by white terrorism directed against nonviolent protest, including instances of murder of some civil rights workers; by the open defiance of law and Federal authority by State and local officials resisting desegregation; and by protest groups engaging in civil disobedience who turn their backs on nonviolence. The latter go beyond constitutionally protected rights of petition and free assembly. They resort to violence to attempt to compel alteration of laws and policies with which they disagree.

Unfortunately these people have not realized that if any man can be allowed to determine for himself what is law, every man can. If force and might—rather than legislative and legal procedures—are used to change laws, then any superior force or might may work still another change. The implications of this to students, civil rights workers and the "flower people" should not be lost. Of all groups they are ultimately least effective in mustering force or might. By accepting force and protest as a means of changing law, they invite their own destruction and the imposition of harsh and authoritative codes of behavior.

What good is a civil rights law in a lawless society?

The mere fact that a person wishes to make a public point does not sanction any method he chooses to use to make it. I agree with Dean Griswold that much protest today seems reflective rather than cerebral, motivated more by the desire to reject established positions and policies than by deliberate preference for some alternative. Perhaps, like Dean Griswold, I am just not perceptive enough to discern the wisdom and goals of movements that seek the elevation of dirty words on campus, or that exalt the virtues of the hippie movement or that conduct a "strip in" in a public park. Their message, if there is one, has escaped me.

Yet the level of violence in civil disorders continues to rise and effective action must be taken to preserve law and order.

Improvement in the capability of local police forces to handle widespread civil disorders is absolutely necessary in light of the recent rioting and looting in major cities which resulted in more than 40 deaths and heavy property damage.

While it would be a grave error to establish a Federal police system—and I will oppose any such move—it is nevertheless obvious that civil disorders are a national problem which Congress cannot wisely ignore.

To help meet this problem, I suggest four new Federal programs which would leave control of police completely in local hands but at the same time expand the number of people properly trained and equipped to deal with riots.

They are:

First, the establishment of a series of training centers, similar to the Federal Bureau of Investigation Academy, where, I might note, several police officers from the 20th Congressional District have already received valuable training. These centers would be open to peace officers at any level, municipal, county, and State. In order to encourage participation, part of the training cost could properly be assumed by the Federal Government. The purpose, of course, would be to provide peace officers with thorough training in the best techniques in dealing with riots and looting.

Second, provision of funds to restructure, reequip and retrain the National Guard for civil duty as contrasted with national defense. National Guard units presently are trained and equipped mainly for military combat. If, instead, they were given the same special training proposed through the Federal training centers for local police and properly equipped, they would constitute a splendid backup reserve which State authorities could call upon on short notice when emergencies arise.

Third, the expansion of a unified computer and communications system through which the work of police officers at all levels could be coordinated to maximum efficiency. A beginning toward this concept has been made through the FBI computer system, but it is presently only a beginning.

Fourth, Congress should authorize the establishment of a special fund which would compensate the widow of each Federal, State, and local law enforcement officer killed in the line of duty the sum of $10,000 as a death benefit.

These four programs, if enacted promptly, would make possible a rapid expansion of trained police and facilitate recruitment. And frankly, if civilized society is to survive, rioting and looting must be met quickly by overwhelming police power.

The grim events in Chicago, Kansas City, Washington, and other cities during the past month clearly reveal that existing police forces simply do not have the equipment, training or numbers to maintain law and order in riot zones.

I would conclude on this point. The preservation of law is more than just an end in itself, it is a means to an end. The preservation of law is important not just to maintain order, but to achieve moral and social justice. The law must always preserve the rights of all Americans and offer to each one of us an avenue to redress abuses and grievances. The statute of justice is blind, it favors neither the rich nor the poor. Too often, however, those who speak in terms of law and order do so to preserve the status quo. A great many people who today criticize civil rights marches and standins were strangely silent when Governor Wallace of Alabama conducted his famous stand-in at the University of Alabama in 1963. These voices were mute when Governor Faubus closed the Little Rock schools nor were they outspoken when bombs snuffed out the lives of four Negro children in a Montgomery, Ala., church. If there had been as much concern for law and order then, as now, perhaps much needless bloodshed could have been prevented.

Abraham Lincoln said it best when he concluded an address:

> Let reverence for the laws be breathed by every American mother to the lisping babe that prattles on her lap; let it be taught in schools, in seminaries and in colleges; let it be written in primers, spelling-books and in almanacs; let it be preached from the pulpit, proclaimed in legislative halls and enforced in courts of justice. And, in short, let it become the political religion of the nation; and let the old and the young, the rich and the poor, the grave and the gay of all sexes and tongues and colors and conditions sacrifice unceasingly upon its altars.

BUSINESSMEN WARNED ON ORGANIZED CRIME

The SPEAKER. Under previous order of the House the gentleman from Alabama [Mr. EDWARDS] is recognized for 60 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, in April 1967, at the opening of hearings on organized crime by the Legal and Monetary Affairs Subcommittee, I stated:

> Organized crime is a pervasive threat to, and cancerous growth upon, the very foundations of our society. Every individual in every walk of life is adversely affected, personally and materially, by the tentacles of organized crime. Ill-gotten wealth, acquired through gambling, narcotics, loan-sharking, and other unlawful means, is used to seize power and control lawful endeavors. Legitimate businesses are infiltrated, labor unions are taken over, public officials are corrupted.

Since making that statement, the grip-hold of organized crime upon society has, if anything, grown tighter.

The threat that organized crime holds to our society is not, I fear, known to the average American. The fault is not his, however. Only a few leaders of society, among them Congressman RICHARD POFF, of Virginia, and Richard Nixon, have apparently taken the time to comprehend the danger and to sound the alarm. The Attorney General of the United States, on the other hand, although designated by the President as chef coordinator of organized crime enforcement, does not appear to fully appreciate the magnitude of the danger. Not only has he tolerated a decline in the number of man-days spent by the Organized Crime Section of the Justice Department in field investigations, grand jury appearances, and court actions, but he has pulled the teeth of effective law enforcement by prohibiting the use of electronic countermeasures such as wiretapping.

In the latter case, he has maintained this attitude of obstinance in spite of apparent legal sanctity by the Supreme Court and in spite of urgent calls for

the use of such measures by leading jurists, elected officials, prosecutors, law enforcement officials, leading members of the bar, and others.

I fear that permissive attitudes shown toward crime in the streets, disobedience, riots, and general lawlessness by the present Democratic administration, resulting in a skyrocketing of all categories of crime, has also had the effect of drowning out the equally serious but more hidden activities of organized crime.

The lack of zeal by the Attorney General in moving against organized crime has apparently carried over to many of the other responsible Federal departments and agencies. During hearings by the Legal and Monetary Affairs Subcommittee, witness after Government witness appeared to claim that all was under control and that all was being done that could be done in attacking organized crime. Yet, at the same time, newspaper articles kept coming to my attention indicating: mobsters were grabbing power in Teamster locals; Mafia was increasing investments in legitimate businesses; east coast longshoremen's union was linked with the Cosa Nostra; banks were tied to the Mafia in questionable loan operations; and Wall Street was found infiltrated by organized crime rings.

Attitudes of complacency can no longer be tolerated in our fight against organized crime whether held by responsible officials who should know better or by the general public who has not been told otherwise. What I called for over a year ago is even more urgently required today:

> Every citizen must be made fully aware of its [organized crime's] scope and threat to society. Every legitimate technique must be utilized to rid the country of its presence. Every law enforcement agency must be harnessed into a coordinated and efficient instrument to apprehend its membership. Every lawful judicial process must be employed to punish and incarcerate those apprehended.

It is with this sense of responsibility, then, that I call the Congress' attention to an excellent and well-documented report on the infiltration of organized crime into legitimate business which was prepared recently by the Research Institute of America.

The report points out the many areas of business that have been infiltrated by organized crime and that no business, large or small, is immune from invasion. An excellent analysis is prepared of the key ways that organized crime seeks to gain a foothold among honest and unsuspecting businessmen—unfair competition, in-plant gambling, planned bankruptcies, loan sharking, monopoly, union takeovers. Stress is placed on the fact that once organized criminals infiltrate a business, the costs to businessmen will be much greater because of higher insurance costs, higher labor costs, heavier tax burdens, increased bad debts, reduced profits, and lower employee morale than would be incurred in preventing or driving out organized crime.

The average businessman, as the Research Institute points out, is, like the average citizen, unaware of organized crime's hovering presence or of its tactics of infiltration. Even those who may have a general awareness are inclined to believe that "it can't happen here." This, according to the institute, is the first vital mistake made. To prevent the businessman from committing this first mistake or to help him correct it rapidly if infiltration has begun, the Research Institute presents detailed and constructive guidelines that businessmen should follow.

Among these guidelines are those which instruct a businessman on the various Government agencies he should contact to seek assistance. While I strongly concur in this approach, my recent examination of certain Federal agencies leaves me with some concern over how active a response the businessman will receive or how much help the businessman will receive due to the hamstringing of effective law enforcement by recent actions of the Supreme Court and the Attorney General.

That should not be interpreted, however, as in any way downgrading the praiseworthiness of the Research Institute's report or as an effort to discourage the businessmen from taking the actions suggested in the report. To the contrary, I commend the report to every citizen, whether businessmen or not, for a thorough examination.

The private citizen can only proceed so far, however. The Government must assume its fair share of the burdens and responsibilities in this area. First, forceful and vigorous action must be taken to unshackle the bonds to effective law enforcement which have been fashioned in recent years by the Supreme Court and the Attorney General.

Second, responsible Government agencies must do more than sit back and await businessmen or newspapers bringing evidence of organized criminal activity to their attention. These agencies must acquire a missionary appeal, must go out and meet businessmen in their own territory, must contact trade associations and labor groups and, thereby, bring the word to them, as the Research Institute has done in this report, on what is wrong, what is to be watched for, and what should be done.

In this regard, I am pleased to note in a recent Wall Street Journal article, which I attach at the end of my remarks, that Federal and State law-enforcement agencies are now beginning to intensify the drive against organized crime and, in at least one case, are seeking to bring the word to businessmen and other citizens as I suggested earlier in my remarks. But, of course, much more forceful action is still required.

Third, additional legislation must be considered by the Congress in such areas as: First, legalizing judicially enforced wiretapping; second, making it a crime to invest illegal money in legitimate businesses; third, enacting an organized crime immunity statute; and fourth, tightening up bankruptcy and loansharking laws.

In the latter case, I call to the Members' attention another recent article in the New York Times which cites testimony by Henry E. Peterson, Chief of the Organized Crime Section, on the Cosa Nostra control of loan sharking in the New York metropolitan area. Mr. Peterson supports therein findings made in the Research Institute's report that loan sharking is a principal means for organized crime to gain a foothold into legitimate business and that such activities may now constitute the second largest source of income to Cosa Nostra. It is noteworthy that Mr. Peterson feels, as I do, that Federal legislation should be considered against loan sharking.

Finally, Federal agencies charged with regulating businesses must engage far greater resources and time in uncovering organized crime activities. In this regard, I particularly have the Antitrust Division and Federal Trade Commission in mind. I am firmly convinced that if more time were devoted to this endeavor, rather than to certain other theoretically oriented or record-padding actions, competion would be far better protected. Along this line, in-depth studies should be initiated to determine within each industry such matters as: Income obtained from legitimate sources versus that obtained from apparently illicit sources; methods by which organized criminals make initial investments; anticompetitive techniques used by organized criminals after entry is gained; increase or decrease of firms within an industry over different periods of time after illegal entry; infiltration of organized criminals into trade associations and labor unions; and merger history of an industry after the entry of organized crime.

Mr. Speaker, the menace of organized crime is undermining our entire society. Unless prevented, its cancerous growth can destroy our freedom and strength as surely as any foreign force or domestic rabblerousers. This element not only drains away our moral fiber, but siphons off billions of dollars annually which could otherwise be devoted to the necessities of life.

The excellent report of the Research Institute, included in my remarks hereafter, clearly demonstrates that the business community is now becoming aware of and launching an attack against organized crime. The President, his Attorney General, and the responsible agencies of the Federal Government must now come to recognize that words are no substitute for action; that they must immediately and fully dedicate their resources and will to eliminating this deadly force.

The articles and report referred to, follow:

[From the Wall Street Journal, May 15, 1968]

THE GANGBUSTERS: STATE, FEDERAL OFFICIALS TEAM UP TO INTENSIFY DRIVE AGAINST CRIME—ONE COORDINATED ATTACK YIELDS 33 ARRESTS; MASSACHUSETTS, CALIFORNIA FORM NEW UNITS—MAKING A MOBSTER MISERABLE

(By Byron E. Calame and Paul E. Steiger)

The wiry young man drives a powder-blue sports car and dresses casually. You might take him for a college student, unless you became suspicious of the slight bulge under his sport jacket. It is caused by a 38-caliber revolver.

The pistol-packing "student" is a Federal agent keeping an eye on a gambling syndicate and some suspected accomplices within the police force of a major western city. He is

part of a rapidly expanding army of Federal and state officials assigned to a stepped-up drive against organized crime.

In the past seven years alone, says Henry Peterson, chief of the Justice Department's organized crime and racketeering section, the number of Federal officials chasing and prosecuting mobsters has quadrupled. Some of the newcomers are undercover agents like the young man, who spends his days posing as a college student anxious to place bets with local bookies. At night he sometimes prowls through garbage looking for scraps of paper that may later become courtroom evidence. "You'd be surprised at how much someone's garbage tells about the way he lives," he says.

STEP-UP IN STATE EFFORTS

Many states are also intensifying their mob-watching and anti-crime efforts. Early last year Michigan's attorney general set up a special statewide unit made up of crack lawyers and experienced investigators. Since then, California, Pennsylvania and Massachusetts have followed suit. Other states are currently considering special anti-mob units. Illinois has had a Crime Investigating Commission for four years.

A 1967 Presidential task force report on organized crime criticized past state anti-mob efforts as relatively feeble. A key goal of the new state groups is to cooperate more closely with Federal investigators by sharing information with them. They also hope closer ties with Federal officials will reduce confusion as to whether state or Federal laws offer the best prospects for prosecution.

"The states have 90% of the available laws to enforce with respect to the activities of organized crime," says Shane Creamer, a former assistant U.S. attorney in Philadelphia who now heads Pennsylvania's anti-mob group. Mr. Creamer and other officials note that much organized criminal activity—vice, extortion, robbery and murder—often becomes a Federal offense only when suspects cross state lines.

BUDGET INCREASE SOUGHT

At the Federal level, President Johnson has proposed spending $22.9 million in fiscal 1969 to battle organized crime, a budget boost of 11% over the current year. Much of the additional money would go to multi-agency Federal strike forces that would concentrate on certain sections of the country where mobster activity is known to be widespread.

Details of the strike force plan are still closely guarded, and Justice Department officials decline comment on reports published last fall that strike forces would be launched in seven areas of the U.S. during the following 18 months. But it's known that a successful pilot project in Buffalo in late 1966 resulted in 14 indictments involving 31 defendants, two of whom had direct Cosa Nostra links. Strike forces are now operating in Detroit and in Brooklyn.

Both Federal and state officials are devoting particular attention to blocking organized crime's invasion of legitimate business. The California attorney general's new unit is currently trying to determine the extent of the Mafia's interest in business in that state. In New York, U.S. Attorney Robert M. Morgenthau is probing into Cosa Nostra forays into real estate, where he says underworld investment is "obviously easy to conceal," because funds can be channeled through almost any number of middlemen.

As part of the New York effort, Mr. Morgenthau recently appeared before a group of top New York businessmen to detail the ways gangsters penetrate legitimate enterprises, such as by providing financial backing to a seemingly upright businessman. The meeting was sponsored by the National Council on Crime and Delinquency, a business group concerned about organized crime. Federal officials plan similar briefings for business executives in several cities across the country in the next few months.

A TAKE-OVER TRY BLOCKED?

It's not always easy to tell when underworld interests are making a move to get into legitimate business. But California investigators believe they headed off one such attempt a few months ago when an out-of-state "investor" quietly tried to buy the Continental Hotel in Hollywood, then owned by Gene Autry, a former cowboy movie star now turned financier. It's understood that Mr. Autry broke off negotiations after investigators advised him that the would-be buyer had extensive underworld connections. Through a spokesman, Mr. Autry declines comment on the matter. In any event, when he did sell his hotel, it went to the Hyatt House Hotel chain.

Just how successful intensified teamwork between Federal and state law enforcement officials will be once the state units are fully staffed remains to be seen. But if the probe coordinated by Michigan's new anti-mob unit late last year is any indication, the prospects are good. In that case, 33 people were arrested almost simultaneously in three states, on charges involving robbery, bad-check passing, prostitution and operation of a football pool that grossed $100,000 weekly.

State and Federal forces sometimes hesitate to take local law enforcement officials into their confidence. However, the Michigan case originated last August when a county prosecuting attorney called in the state anti-organized crime forces to look at criminal activity in Flint, Mich. It was too well organized to be the handiwork of local hoods, in the prosecutor's view.

The probe quickly spread to Detroit and its suburbs, and from there to Pittsburgh and Erie, Pa., and to Canton, Ohio. In all, more than 50 investigators from a dozen Federal, state and local agencies took part. Thus far, four of the 33 persons arrested have been indicted on felony charges, and nine are in the process of entering pleas on various misdemeanor charges; charges against three were dismissed, and the other suspects are awaiting completion of preliminary examinations of their cases.

[In an unrelated case, five men, including two who were identified during 1963 Senate hearings as key members of the Mafia in Detroit, were arrested in that city yesterday on charges of conspiring to extort money in an alleged loan-shark operation in Michigan. The arrests came after several months of work by the Michigan anti-organized crime unit.]

A West Coast case illustrates some of the methods employed in the coordinated attacks on crime. The leading criminal figure in the affair is James Fratianno, 54.

Known to his enemies as Jimmy the Weasel, Fratianno has spent more than 13 years in prison on felony convictions. He was named by a 1959 California legislative committee report as "the executioner for the Mafia on the West Coast."

The current case against Fratianno arose when a trucking firm he owned started work on an interstate highway project in early 1966. Investigators received information that the firm was using "gypos"—slang for drivers paid less than the minimum wage—and began pressing a probe of Fratianno.

PICTURES OF GIRLS

Under a quirk of California law, paying drivers less than the minimum wage is a misdemeanor, but conspiracy to employ drivers at such a wage is a felony under both California and Federal law. Thus, authorities were anxious to find evidence of a conspiracy, which would carry a stiffer penalty. They set out to find persons who would testify that Fratianno had discussed with some of his associates a plan to use gypos—and hence had conspired.

Officials decline to reveal any details about the case. But a talk with Fratianno himself in the Beverly Hills office of his attorney shows investigators use a variety of techniques. "They've ruined my life," says Fratianno. "They showed my wife pictures of girls they said I was involved with to try to get her to turn against me. They go to people I work with and ask them if they know about my record and what a terrible guy I am. A contractor I've done business with for six years won't give me work now. . . ."

The upshot of such investigations is that Fratianno now faces Federal and state charges for allegedly conspiring to employ truck drivers for less than the minimum wage. If convicted of all charges, he could be sentenced to up to 10 years in jail.

The Fratianno case also illustrates another maxim of gangbusting. Prosecutors must often settle for what's called a "spitting on the sidewalk" offense, because evidence on major crimes is frequently too skimpy to obtain a conviction. Says the undercover agent who poses as a student: "You know a man has done some lousy things, even had people killed, but you can't prove it. So you follow him around for months or years until you get *something* that will put him in jail."

Closer ties between state and Federal authorities take several forms. One example involved Fratianno. In that case, Richard Huffman, a California deputy attorney general and criminal trials expert, was lent by the state to Federal prosecutors to help prepare their case. Authorities found the arrangement worked so well that Mr. Huffman was recently named a part-time assistant to U.S. Attorney Edwin Miller in San Diego. He now acts as a special liaison between state and Federal agencies.

HIRING ACCOUNTANTS

The mob-watching units being formed at the state level contain experts in several fields. Charles A. O'Brien, who heads the new California group, says he plans to hire several accountants skilled at tracing mysterious transfers of funds as members of his 15-man staff.

But even for experts, trying to find concrete links between underworld interests and their business activities can be frustrating. Not long ago law enforcement officials worked several weeks—with inconclusive results—trying to pin down suspected ties between mob interests in Las Vegas and a multimillion-dollar housing and resort project.

Investigators believe gangsters provided much of the financial backing for the resort, probably as a means of investing money illegally obtained. But probers have yet to come up with enough evidence to seek indictments. "We can't even tell who goes in or comes out of there (the resort) because they've got a private landing strip," says one frustrated Federal investigator who took part in the probe.

[From the New York Times, May 15, 1968]

COSA NOSTRA TIED TO LOAN-SHARKING—SENATE PANEL TOLD 120 IN CITY ARE INVOLVED IN USURY.

(By Richard L. Madden)

WASHINGTON, May 14.—The head of the Federal Government's organized crime unit said today that more than 120 members of Cosa Nostra were engaged in major loan-shark activities in the New York metropolitan area.

Henry E. Petersen, chief of the Justice Department's organized crime and racketeering section, said the estimate came from "a survey of racketeers in New York City" but he did not elaborate.

"Our intelligence indicates that loan sharking may be the second largest source of income to Cosa Nostra, secondly only to gambling," Mr. Petersen told the Senate Select Committee on Small Business, which began three days of hearings today on the impact of organized crime on small business.

Mr. Petersen noted that at present there is no Federal law against loan-shark activity, which is the lending of money at usurious rates of interest. He said the Justice Department had looked into such activities, particularly of the Cosa Nostra, for possible violations of the Federal tax laws. But he said that the effort "hasn't been very productive."

He suggested that Congress consider ways to broaden the federal jurisdiction "so that we may have additional weapons to use before greater inroads into the legitimate business community are made by Cosa Nostra and allied syndicates."

Cosa Nostra is another name for the Mafia, or crime syndicate. It came into usage after Joseph Valachi, an informer, outlined the structure of organized crime for a Senate committee in 1963.

"Our intelligence information indicates that the loan shark has gained a foothold in the legitimate business community," Mr. Petersen said.

"Those businessmen whose credit ratings are unsatisfactory or who are without adequate collateral are easy prey for the loan sharks who are only too willing and able to make loans to substandard risks," he continued.

"The loan shark is quite ready to take over the debtor's business upon his default in his payments of either the principal or the outrageous interest charged."

Ralph F. Salerno, a consultant to the National Council on Crime and Delinquency and a former New York City Police official, also told the committee that a Federal statute against loan-shark activity would be "a very welcome weapon" in the fight against organized crime.

"There is growing evidence that many people who have engaged in illegal gambling operations for many years have lately made the evaluation that loan-sharking is much more lucrative, particularly when measuring the gain to be realized as against the risk involved in possible apprehension, conviction and penalty," Mr. Salerno said.

Henry S. Ruth Jr., associate professor of law at the University of Pennsylvania and a former deputy director of the President's Commission on Law Enforcement and Administration of Justice, said that in some cases interest rates charged by loan sharks have ranged from 100 per cent to more than 1,000 per cent a year.

Mr. Ruth said that in New York "loan sharks have taken over businesses ranging from optical stores to nightclubs to brick companies."

Mr. Salerno said that a New York City hairdresser, in debt to loan sharks, had become a "finger man" for jewel thieves to win credits against his indebtedness by pointing out customers who might be likely targets for jewelry robberies. The hairdresser and the businesses taken over by loan sharks were not identified at the hearing.

DIFFERENCE OF OPINION

At one point Mr. Ruth clashed with committee members by suggesting that some local government officials, businessmen and labor leaders were "perfectly happy" to tolerate organized crime.

Mr. Ruth said that an elected official sometimes may find that "he's got more to lose from his career standpoint" by cracking down on criminal activity.

"I completely disagree with that statement 100 per cent," replied Senator George Smathers, Democrat of Florida and chairman of the committee.

The speakers at today's hearing said that New York had been one of the few states to gather information on the loan-shark problem, and was one of the few states to have a criminal statute against usury.

The hearing will continue tomorrow with testimony on loan-shark activities in New York City. Among those scheduled to appear are a "John Doe," who is said to be a victim of loan sharks, and three men described by the committee as alleged leaders of loan-shark activity in New York.

PROTECTING YOUR BUSINESS AGAINST ORGANIZED CRIME: RESEARCH INSTITUTE STAFF RECOMMENDATIONS, APRIL 15, 1968

Highly organized, disciplined, ruthless—and successful; that's how top Justice Department officials describe the underworld's infiltration of legitimate business. Inadequate, disorganized, too timid and too late—that sums up the remedies available to the *businessman* who finds himself the victim.

The reasons why business has become the *target* of crime are simple: Business can provide several things that organized crime needs: a legitimate *front*, a *market* for hot goods, an outlet for *investing* its enormous capital, a cover for illegal *payoffs*, the insulation of *respectability*, and last but not least, an important and useful source of *power*.

The reasons why business should be so *vulnerable* to organized crime are more complex. For one thing, there is the normal human reaction that "it could never happen to me." Thus, few companies take any active steps to protect themselves against exploitation. What's more, the urgent pressures of day-to-day operations often make it essential that business be conduced on an assumption of mutual trust. Ironically, it may be the company that is *most ethical* in its own business dealings that becomes *most vulnerable* to the methods used by organized crime.

It is not the purpose of this *Staff Recommendations* to *exaggerate* the dangers or to urge the already burdened and busy executive to assume the role of the racket-buster. Rather, it is designed to help business take a *realistic reading* of the situation, recognize what industry is up against and take *precautions* to minimize the risks.

THE NEED TO KNOW

Frankly, this is one study we hesitated doing—primarily because it is a "dirty" subject, too often milked for sensationalism by the press. In addition, there is the built-in legal restriction against naming names in many cases. This opens the double-danger of protecting the guilty and casting suspicion on the innocent.

Why then touch this subject at all? Simply because our research has convinced us that very *few businesses* of any size or character are truly *immune*. And there is just *no way of predicting* which company will be next. In addition, the growing problems of breakdown of law, of overburdened or callous courts now threaten to add *new strength* to the efforts of the mob. Not only are the nation's police forces woefully inadequate to cope with the growing problems of law enforcement, but the trend of court decisions and the pendulum against wire-tapping make prosecution increasingly difficult.

It is for these very reasons that major business groups, trade associations and local boards of trade are beginning to take a more active part in the fight against crime. As a first step, business needs to *know more* about how organized crime operates.

OF COURSE IT COULDN'T HAPPEN TO YOU! . . . OR COULD IT?

Read the newspaper stories of the loan-shark racket or the latest bankruptcy swindle and it's often easy to assume that the victim was a small or shaky outfit. But the fact is that crime is becoming more sophisticated and more daring all the time. They are true "entrepreneurs," ready to go into any business. The major banking institutions and Wall Street securities firms that are deeply involved today would not have thought it could happen to them 20 years ago.

As Allan Shivers, President of the U.S. Chamber of Commerce put it, "To ignore the danger of organized crime to legitimate business is to deny reality. Racketeers have exploited manufacturing, wholesaling, retailing, banking, trade associations, and transportation enterprises, among others. *The first line of defense* is for every manager and executive to become acquainted with the strategy and tactics of organized criminals in order to take appropriate preventive measures."

Myles Lane, Chairman of the New York State Commission of Investigation, agrees that "racketeers have penetrated virtually every area of commerce and industry." And H. Ladd Plumley, insurance executive and Chairman of the National Emergency Committee of the National Council on Crime and Delinquency adds: "Recognition of this fact and implementation of effective countermeasures must rank as among the most pragmatic and essential of management actions."

For the businessman who has seen no active signs of criminal activity in his own industry, it may seem unrealistic to worry about "countermeasures." But Research Institute analysts are convinced that the *only effective time* to take action may very well be in *advance*. Prevention—though it may involve some investment of time and effort—can be infinitely more effective than any presently available remedies, once crime gets a foothold.

Secondly, the *indirect costs* to your business—even when you are not the actual victim—are real and they are heavy. If organized crime gets a foothold in your industry or your community, your company will be paying the price in a number of ways:

Higher insurance costs, as risks mount.

Higher labor costs when unions fall into underworld hands.

Heavier tax burden—not merely because of the costs of investigation and apprehension but because the criminal often pays no taxes on the heavy profits which he sucks out of the legitimate community.

RECOGNIZING WHAT YOU'RE UP AGAINST

A synopsis of the methods used by organized crime may sound like a grade-B movie plot—but don't let that fool you. It would be a serious mistake to underestimate the tight family network that binds organized crime—its size, its strengths or its brutal effectiveness.

Major law enforcement units, at the local, state and federal levels, accept as a basic operating premise this conclusion expressed by the Kefauver Committee, which conducted a nationwide investigation of crime in 1951: "There is a nationwide crime syndicate known as the Mafia . . . Its leaders are usually found in control of the most lucrative rackets in their cities . . . There are indications of a centralized direction and control of these rackets . . . The Mafia is the cement that helps to bind (the major syndicated) as well as the smaller criminal gangs and individual criminals throughout the country . . . The domination of the Mafia is based fundamentally on 'muscle' and 'murder' . . . It will use any means available—political influence, bribery, intimidation, etc.—to defeat any attempt on the part of law enforcement to touch its top figures or to interfere with its operations."

The Kefauver conclusion is probably a conservative estimate of the problem today, as this up-to-date rundown of crime's "organization chart" would indicate:

Organization: The basic group is the "family," of which there are up to 24 throughout the country. (New York City is blessed with five.) The Commission, a national advisory group comprised of the heads of the most powerful families, is the supreme arbiter, disciplinarian, and rule maker of the confederation. The *Boss* is top dog of each family. His mandate is twofold: Maintain order and maximize profits. His authority within

the family is absolute, barring being overruled by the Commission.

In a position roughly comparable to that of a company president, the Boss usually has the services of a staff consultant—frequently an elder statesman, retired after a successful and active criminal career. There is invariably an Underboss—vice president of sales, if you will—who acts as a buffer between the president and the various lieutenants or regional sales managers, who, in turn, supervise an army of soldiers (salesmen). The salesmen bear the brunt of the front-line operation of the criminal enterprise. The relationship among families and among members within a family is analogous to that within cliques of a business organization: no written rules, but a code of conduct; no formal elections, but a leader emerges; no written standards for membership, but members exist and they can be "typed."

Scope: The Organization is nationwide. Some sections of the country are open territories; that is, up for grabs by any family that can turn a profit in the area. Other sections are reserved for the exclusive cultivation of one family, although agreements do exist permitting more than one family to operate in an otherwise restricted territory. But each has its own sphere of activity so that they do not overlap or compete. Although not an operating subsidiary of the Sicilian Mafia, the autonomous U.S. organization cooperates with and receives assistance from its overseas counterparts.

Resources: Approximately 4,000 to 5,000 men are identified members of Mafia families, but many experts consider this figure merely as the top of a huge iceberg. What's more, a huge army of non-members work for them. Members' specialties are varied. Some are enforcers; others are corrupters, money-movers, legal and accounting experts. Many man the front line of criminal activities. A few simply act as buffers between the decision-makers and implementers. A family may number several hundred or merely a score of men. Family members are the inner core—the well organized part—of organized crime. Including non-member but affiliated criminals—and taking into account political machines, labor unions, and business enterprises directly or indirectly controlled by organized crime—the manpower of this national network is estimated by a former inspector of New York City's Police Department at many hundreds of thousands.

The most valuable resource of all, and the one most plentiful, is *money*. According to an informed estimate, the "take" is approximately $40 billion yearly. The bulk of Mafia income ($20-billion gross) comes from gambling (numbers, dice, bookmaking) followed by a multibillion-dollar loan-shark operation. Gambling nets organized crime about $6 billion yearly, while it's no great feat for loan sharks to double their money annually. Knowledgeable observers consider it inevitable that organized crime is reaping a *higher net income* than any single *legitimate industry*.

Some perspective on the growing danger of the problem was provided by the 1965 Oyster Bay Conference on organized crime. It concluded that "In earlier times, criminal activities were the principal source of income for organized crime, and legitimate business served as an outlet for investing the proceeds; thus, money flowed from 'dirty' areas into 'clean' areas.

"Today, however, legitimate business has become so large and lucrative for organized crime that money flows in both directions; a business enterprise often provides the capital to start or sustain a criminal enterprise."

With such funds, organized crime can sometimes purchase the highly important resource of *power*. Too frequently succeeding, the Mafia is corrupting legislators, mayors, judges, police, and a host of other officials. The result: power to run criminal enterprise with a minimum of official interference and occasionally with a maximum of active official assistance. Where there is organized crime, there is almost always some form of official corruption: payoffs to police, judges, etc.

As a *practical matter*, therefore, businessmen face a disciplined criminal organization enjoying vast resources, minimum exposure to the law (thanks to professional advice and corruption), tenacious permanency (loss of a Boss does not result in the loss of the organization), and effective insularity of its leaders due to the use of buffers or intermediaries.

HOW CRIME-PROOF ARE YOU?

How can you tell if your business is a current target? Some early warning signs are spelled out in the following pages. However, no company can afford to undertake the staggering burden of checking and screening every business contact. Law enforcement agencies recommend that the business community must *assume* that *any attractive* business situation will look equally attractive to the underworld. But certain weaknesses in your operation may sharply reduce the odds of safety for you.

As a quick guide to your proportional vulnerability the odds increase where:

(a) A member of your staff, with access to anything important (inventory, records, influence) is a problem gambler or is imprudent enough to borrow from a loan shark.

(b) A key person is both personally untrustworthy and especially vulnerable to greed.

(c) The union you must deal with is involved with the mob.

(d) The business is especially loosely run and the controls and records sloppy.

(e) The industry has had a history of contact with racketeers. This is particularly true of those industries in which multitudes of smaller business and a weak trade association make "entry" easy and unnoticed.

In addition, many companies are especially vulnerable because of two deficiences:

Inadequate or lax management policies. The company which operates too informally may be unwittingly surrendering control in many important areas. Ask yourself these questions: How often does top management review credit policy? Who handles your labor relations? How long would it take for irregularities in the handling of any part of your business office to come to your attention? Assume the possibility of a key employee who is under pressure from a loan shark; would it be possible for him to involve the company in an unsound credit risk or disclosure of company secrets?

Unwarranted trust in those with whom your company deals. Internal control is half the protection problem, but outside relationships can also be door-openers to organized crime. For example: Do you really have *sufficient information* about the consultant you are about to hire? The trucking firm you use? The realty firm from which you may be leasing? The messenger service you use? The company from which you are leasing cars or trucks? The construction outfit you are about to sign a contract with? The firm that hauls away industrial waste? The catering organization operating your cafeteria? Your new customer or supplier? The union your employees belong to?

RIA recommendation: Realistically, your knowledge in these areas must be less than complete. Detailed and continuing investigation cannot be conducted without disrupting the flow of business and neglecting the normal management functions. But what business *should* do—and often does not do—is make certain it is taking the minimum precaution of a Dun and Bradstreet credit check and periodic top management review of sensitive control points within the company. Laxity in these areas increases both the temptation and the opportunity for crime to get a foothold.

In the following pages we will take a look at the six common strategies used by organized crime for exploitation of legitimate business:

Unfair competitive methods
In-plant gambling
Scam—or the planned bankruptcy
The loan-shark racket
Control through monopoly
Take-over of labor unions.

Preventive measures and counter-moves are discussed later.

"UNFAIR"—TO SAY THE LEAST—COMPETITION

A company losing business to other firms because of syndicate-inspired unfair competition may never realize that it is being taken to the cleaners. While ignorance may be bliss, it can also be highly unprofitable. Assume one of your competitors fits the following description, which, by the way, corresponds to an existing company:

1. Incorporated for over a decade and with sales in the $5- to $10-million category, the firm employs close to 100, pays creditors promptly, maintains a six-figure bank balance, and has satisfactory bank relations.

2. Recent customers include a federal agency, a university, and city and county agencies. Work for these customers was secured on a competitive-bid basis. A spokesman for a federal watchdog unit in Washington was quoted as stating that to the best of his knowledge, the company has been doing a good job; has had no labor problems; and has been right on schedule.

3. The officers and directors of the company have no known criminal records.

Odds are that a prudent executive would not suspect unfair competition on the part of such a company, much less believe that it was linked with the organized criminal underworld. But with a little digging, you could discover that a salaried executive of the above firm does have a criminal record, that his father is reputed to be the Boss of an underworld family, that the executive himself has been identified as a caporegima (Mafia lieutenant), and that from the time he joined the firm several years ago, the annual gross has increased manyfold. Information would also come to light to the effect that the company's consistent low bidding results in part from the absence of serious labor trouble in recent years (despite below-standard wages).

A similar form of unfair competition is inflicted when organized crime sets up *nonunion manufacturing plants* to compete in a generally unionized industry. At least six such plants were reputedly established in Pennsylvania and upstate New York by the late underworld Boss Thomas (Three Finger Brown) Lucchese, whose one-time apparent successor-to-be, Antonio (Tony Ducks) Corallo, is currently linked to sweatshop operations in Florida. Corallo, by the way, was indicted along with former New York City Water Commissioner James L. Marcus in connection with an alleged kickback payment for throwing city business to what the FBI describes as a mob-connected company.

RIA caution: Obviously, it can be equally misleading to assume that *every* nonunion company in a widely unionized industry is suspect. Many legitimate businesses have withstood union pressure because personnel policies have kept employee satisfaction high. Prudent checking within the industry can help distinguish these companies from the ones where syndicate control of labor is a critical factor.

Another type of underhanded competition which can injure legitimate business is made possible by the *incredible financial resources of syndicates*, resources permitting them to enter a given market and sustain considerable losses stemming from *below-cost pricing* during the course of driving out competitors. Once a criminal monopoly is achieved, the

losses are quickly erased as prices bounce back up again.

Some *wholesalers and retailers* face an especially tough competitive situation when a less scrupulous rival, often mob-established, acts as a conduit for stolen merchandise or for goods obtained as the result of a syndicate-engineered planned bankruptcy. Such goods, of course, are sold at substantial discounts to a bargain-hunting public.

That organized crime's methods of competition are frequently not overly subtle, is well-documented in the case of Long Island air-freight truckers. As one of many similar cases revealed in late 1967 by the New York State Commission of Investigation, a trucker's vehicles were sabotaged and, under pressure from a mob-run Teamsters Local, the trucker's current and potential customers began to drop by the wayside. These customers included two major airlines and a leading air-freight forwarding company. The reason for the harassment by the union local: The trucker's refusal to knuckle under to a mob-directed scheme which would, among other things, have virtually eliminated competition among air-freight truckers serving J.F.K. International Airport. Both airlines and the air-freight forwarder wound up using racketeer-approved truckers.

Implicated in this matter was the secretary-treasurer of Teamster Local 295, Harry Davidoff, who has a criminal record and is an associate of John Dioguardi (Johnny Dio—well known labor racketeer, convicted in 1967 in connection with a planned bankruptcy) and Tony Ducks Corallo, noted above. On the grounds that his answers might tend to incriminate him, Davidoff refused to answer 70 questions at the late-1967 hearing of the New York State Commission of Investigation.

RIA observation: Underworld-related unfair competition in its more subtle, less visible forms is difficult to pinpoint at best—often impossible to prove. It is possible to list some of the potential symptoms, although it must be remembered that no single symptom is "evidence" in and of itself:

1. Employees of a competitor are not unionized, although unions are strong in his area and industry and his wage rate is out of line.

2. Wage rates of a competitor's *unionized* employees are substantially below the average of the area and industry.

3. Competitor frequently secures business for which he did not submit the low bid.

4. Competitor is conspicuously free of labor trouble in relation to the experience of competing firms in the area.

5. Prices of a competitor are so low that even maximum efficiency could not be an explanation.

6. Competitor frequently obtains local government business on a nonbid basis.

RIA recommendations: The presence of one or more of these symptoms is hardly conclusive; but where *several* exist simultaneously, they may be considered *early warning indicators,* signals that you should perhaps do a little digging along the following lines:

Does the competitor employ "consultants"—especially so-called labor-relations specialists—who have criminal backgrounds?

Does the competing company employ anyone in a managerial capacity who has a criminal record?

Are any of the officers or employees of the competitor's union know racketeers or associates of known racketeers?

Are any of the vendors serving your competitors mob-connected?

Answers to such questions frequently can be culled from information already published in the records of Congressional, crime-commission, or other investigative hearings. While the businessman may be reluctant to probe—even in publicly available records—trade associations, as noted later, can be of substantial assistance by procuring, consolidating, and disseminating such information to their members.

But other, easly accessible, sources of information are also available. Dun & Bradstreet or other credit-rating services can sometimes tell you if the management group of a company includes those with criminal backgrounds. And, of course, little or no study is needed to document the more gross instances of unfair competition or mob penetration which hit the local papers. If you're involved with or in the industry which was affected, it is best to take these public episodes as the strongest warning to check into any part of your operations which intersects with the offending operation.

RIA recommendation: If the information you have gathered about criminal-sponsored unfair competition is convincing to you, don't sit on it and hope for the best. For one thing, you will probably be unable to assess what you have learned. But, on the other hand, to ignore your doubts would be folly. Take immediate steps to present your findings to the appropriate authorities. How to do this and what constitutes an "appropriate" authority are explored in a subsequent section. (See page 28.)

IN-PLANT GAMBLING OR HOW TO PUBLICIZE YOURSELF TO ORGANIZED CRIME

In-plant gambling is such a *common* problem that it is often accepted—albeit reluctantly—by management, as "incurable." Objections, when they are raised, tend to focus on the moral implications rather than the business considerations. Yet an innocent-seeming baseball pool may actually be the entering wedge for an underworld invasion of a business.

Some investigators claim that the company free of gambling is the exception, not the rule. And it flourishes where the attitude of top management, typically, is either "I couldn't stop it if I wanted to," or, "What's the harm?"

The "harm" is really two-fold. The first is the damage to efficiency, discipline and productivity, caused by workers roaming about the premises placing bets and discussing the outcome.

But it is the *second* and even more *serious* level of danger which rarely gets attention: Organized crime may take an interest in the wagering activity and assign a bookie to the action. The syndicate can quickly develop additional interests in the firm, because the *syndicate's gambling network doubles in brass as an intelligence system.* In fact, gambling often is used as a door-opener to enable a syndicate to establish a listening post. Information can then be obtained by observation, by eavesdropping, by piecing together employee chit-chat, by forcing an employee with a large gambling debt to pass along information or to leave a warehouse door unlocked.

Gambling-derived information is occasionally used to set up companies for profitable burglaries or hijackings. Or it may result in a "salesman" calling on you and suggesting that it might be a nice idea for the company to buy a few gross of widgets every month. When you reply that the firm really has no need for widgets—or that you're satisfied with your present supplier—your friendly salesman is likely to "clarify" the situation with some such remarks as "I really think purchase of the product will do you a lot of good. You were highly recommended by Joey Mobster."

Point is that a company's willingness to turn its back on the gambling operation enhances its chances of earning a mobster "recommendation" as a "soft" or "useful" candidate for further exploitation. Tolerance makes you an attractive victim.

RIA recommendation: The first step in detecting whether gambling has become a big-time extra-curricular activity within your business is to concede that it *might* be taking place. That you have not yet stumbled on such activity is not necessarily proof of its absence, especially if the plant is located in a sports-oriented area. Be alert to the signs of gambling, such as:

Complaints from wives that workers are not coming home with a full pay envelope.

Garnishment proceedings occurring with inexplicable frequency.

An unusual number of employees congregating or visiting a certain area of the plant at specified times.

An employee who consistently makes the rounds of the various departments, even though his normal duties do not require such activity.

Extensive use of the pay phone by one individual at the same time each day.

Regular frequenting of the plant by a nonemployee.

Discarded basketball-, football-, or baseball-pool slips or other concrete evidence.

If your suspicions of wagering activity are only lukewarm, you may wish to hire a private investigation company to determine discreetly the extent of the problem. However, you should check your union contract before taking this step. In any event, do not use such an investigating agency for mixed purposes such as determining the extent of gambling and the extent of union activity of any kind. In some cases it may be better to seek union cooperation *after* the extent of the problem is definitely established, as outlined in the action section. (See page 21.)

THE PLANNED BANKRUPTCY OR SCAM

An East Coast company goes into bankruptcy, leaving $2,900 to satisfy $300,000 worth of obligations owed to 152 creditors. In Florida, an investigator observes the transfer of merchandise from warehouse to van, which, once loaded, embarks on a circuitous route to a small store several miles away. John Dioguardi, labor racketeer and extortionist, is fined $10,000 and receives a five-year sentence for bankruptcy fraud. What is the connection between these events? They all pertain to the syndicate-engineered phenomenon of the *planned-bankruptcy plot,* or *scam* (supposedly carnival jargon for "scheme").

Though now reluctant to supply specific figures, Justice Department officials in the recent past have estimated the number of syndicate-engineered bankruptcies at more than 200 yearly, each involving as many as 250 or more creditors. A thousand additional scams are said to occur yearly, though not syndicate-connected.

Enforcement officers bemoan the fact that creditor-victims often absorb their losses rather than invest further money or energy in what they consider a "lost cause." Shrugging off a small loss in a syndicate-connected scam is comparable to tolerating blackmail because it's "just a little" blackmail.

The key to success in a mob-engineered scam is the manipulation of *credit.* Scam operators may vary their strategy but nonetheless follow a predictable and usually profitable pattern:

Build up inventory through purchasing goods on credit.

Sell the merchandise for cash, or transfer the goods to a racketeer-run business (e.g., transfer credit-bought meat to syndicate-operated restaurants and hotels).

Conceal the proceeds and fail to pay suppliers.

Maneuver under the protective shield of the Bankruptcy Act when creditors file an involuntary petition in bankruptcy. (Sometimes, however, creditor apathy allows the scam operator to escape bankruptcy proceedings. Occasionally, the scam operator disappears, so that there is no one to bring bankruptcy proceedings against.)

Almost any company is a candidate for becoming a *creditor-victim* of the scam operation. Manufacturer, wholesaler, retailer—all are vulnerable. Usually, but by no means al-

ways, the merchandise purchased by scam operators has a *high turnover potential,* is *readily transportable,* and is *difficult to trace.* Pianos, office machines, industrial goods, construction materials, furniture, watches, household appliances, food are among the varied merchandise targets of recent planned bankruptcies. To effect their fraud, racketeers usually select one of the following three strategies:

The three-step scam. Though not as popular as it once was, this plan involves the formation of a new corporation, ostensibly owned by a "front-man," one with no prior bankruptcy or criminal record. To help establish its reputation as a solid credit risk, the company deposits from $40,000 to $60,000 in a bank account ("nut money"). An impressive store and/or warehouse is rented, and an equally impressive name is given the enterprise. To further its credit reputation among suppliers, a public accountant may be asked to prepare a statement of financial condition. Of course, the statement is asterisked, with a footnote that it was prepared without verification—a tip-off to the wary, a well camouflaged pitfall to the careless.

Small orders are placed with several suppliers, along with phony letters praising the business and its progressive management. If references are required, the scam operator supplies the names of a few mob-dominated companies all too happy to vouch for the fledgling enterprise. Suppliers are given the impression that unless they get on the bandwagon soon, there's a chance they might not receive the business. First-month creditors are promptly paid in full. End of step one.

The same routine is followed during the second month of operation, except that first-month suppliers receive only two-thirds of what's due them. *New* creditors are paid in full, though.

The third step begins by the firm ordering large quantities of merchandise from the two previous groups of creditors and perhaps from brand-new ones as well. Frequently, ordered goods are quite inconsistent with the alleged nature of the business. If pressed for a reason, the scam operator may reply that his business is expanding or that he's adding another department. As the merchandise flows in, it is quickly sold or concealed at another location. When unpaid creditors become suspicious and investigate, the scam operators have long since departed. During the operation of the scam, the nut money is gradually withdrawn as payments to fictitious payees.

The same-name scam. In this scheme, the scam team opens a business with a name almost identical to a well-known and reputable company. If, for example, the reputable firm is called XYZ Inc., the scam company may call itself XYZ Sales Inc. Suppliers are thereby misled into believing they are dealing with a subsidiary or branch operation of the reputable enterprise, which has a top-notch credit rating to be sure. This type of planned bankruptcy has a number of advantages over the three-step variety, at least from the viewpoint of the scam operator: Financial statements frequently are not required, nut money deposits need not be as substantial, and precious time is not wasted in establishing a decent credit rating.

The take-over scam. With the same advantages of the same-name strategy, this fraud entails purchasing a going concern with a good credit rating. The purchase involves as little cash as possible, with the balance comprised of what will turn out to be worthless notes. Some surprisingly respectable firms have been taken over through the ruthless pressure of loan sharks from whom management made the mistake of borrowing substantial sums in a period of acute financial stress. Such take-overs may be timed to occur just after a review by a credit-rating company. The fact that new owners are now in the saddle is kept from creditors, and substantial orders are placed with new and old suppliers. Orders are generally far in excess of normal quantities.

Any one of the above basic scams may be centered on the Christmas season, when rush deliveries are commonplace and harassed suppliers often delay making thorough credit checks. Or immediate-delivery orders may be placed for off-season products, scam operators banking on precredit-check shipment by suppliers anxious to obtain business in a normally slack period.

When the front men are still around to answer questions about the bankruptcy, a wide variety of reasons are proffered: "We sold below cost to build volume." "I gambled away the profits." "I was burglarized and all the merchandise—and accounting records—were taken." And so on.

RIA observation: Once a scam is uncovered, it's often difficult to understand how a successful manufacturer or supplier could have been *taken in* by it. The natural eagerness to sell to new outlets—coupled with a lack of awareness of this type of operation—combine to make any supplier a possible dupe.

Tip-offs of an impending planned bankruptcy are many; while no single one is conclusive, the presence of two or more of the following early warning alerts should be sufficient to set into motion a close inquiry by your credit or sales people:

A customer-firm is under new management. Information on the principals is vague.

An account markedly increases order quantities, an increase out of line with the normal pattern.

Goods are ordered that are unrelated to customer's traditional line.

Payment patterns are altered; partial payments increase, time between payments lengthens, or postdated checks or notes of indebtedness supplant customary payment procedures.

Unverified financial statements are supplied.

Personnel with criminal records appear as managers of a company you supply. (Dun & Bradstreet Reports will include this information when known.)

A new account, out of the blue, submits an immediate-delivery-or-don't-bother order.

A customer's bank balance (nut money?) shows a persistent decline.

References do not check out or are firms that are new to you.

Customer's name is almost identical with that of a reputable firm, perhaps with a mailing address on the same street as the latter's.

Should one of your customers cease operations, these *after-the-fact circumstances* may point toward a scam:

Bankrupt's books are missing or woefully incomplete.

Debtor is vague about reasons for the bankruptcy and hesitates to supply information.

Debtor refuses to answer questions on the grounds that to do so would tend to incriminate him.

Bankrupt's place of business is burglarized or destroyed by fire.

Salaries and/or expense accounts of debtor are exorbitant.

Remaining assets are comprised primarily of store fixtures and the like, rather than of the merchandise in which the company normally dealt.

Bankrupt has recently repayed loans.

What the scam racketeers are hoping, of course, is that creditors will not press bankruptcy proceedings. The likelihood of such inaction is enhanced when the bankrupt has ordered relatively small quantities of merchandise from a great many creditors who are geographically dispersed. In such cases, the motive and means for prosecution are reduced appreciably.

Those who engineer bankruptcies also frequently count on creditors routinely approving the shipment of low-value orders ($600 or less, say) without a credit check, the theory being that more profits are gained than lost by such a procedure. While this may be true, scam operators have been known to repeatedly "patronize" companies with such relaxed policies.

The loan-shark racket

Loan-sharking—the lending of money at usurious rates—is a major underworld occupation, so lucrative that it ranks as the second largest source of revenue for oganized crime. This multi-billion-dollar activity is financed largely from gambling proceeds and is a principal weapon by which organized crime batters down the doors of legitimate businesses. So lethal is this weapon that one can say, without qualification, that accepting loan-shark financing is equivalent to cutting your *throat* later, rather than cutting your *losses* now.

Few businessmen would disagree. But this is one trap *no one* ever expects to fall into. Yet there are two basic situations which lead to businessmen finding themselves face to face with loan-shark collectors. Most common are the variety of improvident actions which lead an employee to turn to a loan-shark as his "only way" to bail out of a financial dead-end. Sometimes the employee doesn't even know that he has fallen into this trap. He may think he's taken an emergency loan from a "friend of a friend." Or he may be unaware that his gambling debt has been turned over or discounted by the creditor bookie.

The infinitely more dangerous breach may involve the business itself. Not all trusted executives are immune to the sickness of compulsive gambling or of other indiscretions which can be financially costly. There have also been instances where the principal of a business who has exhausted the legitimate sources of credit faces an emergency and, confident of the ability to turn around given "a little time," reluctantly turns to a lender who is all too eager to provide the funds.

Any one of these "openings" many prove useful to the mob, by providing access to records or a warehouse, or even direct power over the corporation itself.

What makes matters worse, as far as the businessman is concerned, is that loan sharks take particular joy in finding corporate "accounts." As one crime study pointed out, "Loan sharks have constantly used corporate borrowers as a cover, or concealing device. Typical was the instance in which a loan shark took his vigorish (interest payments) in the form of a salary check from an automobile dealer whom he had loaned money. The hoodlum appeared on the corporate books as an outside salesman."

Company accounts are even more attractive in those states whose usury statutes do not apply to corporate borrowers. For example, at the time when New York's usury statutes did not so apply, loan sharks catering to company borrowers were brazenly setting up operations under such covers as First National Service & Discount Corp.

Business owners and employees (white- and blue-collar) can be subjected to a variety of demands by loan sharks, who are determined to collect one way or another:

A Wall Street stock clerk is coerced into a plot to peddle stolen securities.

A trucker is forced to ship stolen property.

A $20,000-a-year V.P. embezzles $200,000 to pay off a loan shark from whom he borrowed in order to gamble.

The mechanics of the syndicates' loan-shark operations is simplicity itself. Typically, the syndicate Boss, with millions at his disposal for loan sharking, allots large sums to each of his chief underlings. They pay the "Boss" 1% "vigorish" weekly, and in turn distribute the money to various low-echelon criminals, charging them 1½%–2½% weekly. These are the loan sharks who

make contact with the borrowing public; rates are generally not less than 5% weekly.

So with a $1-million investment, the overall return to the syndicate can easily reach $2.6 million annually. When loan sharks are convinced that a debtor is scraping the bottom of the barrel, a "sit-down" is arranged. This is the underworld's equivalent of *commerical arbitration*, whereby a final payment is negotiated—also known as "stopping the clock."

Occasionally, loan sharks engage the *cooperation of established banks*. This cooperation may be unwitting, or it may result from a bit of corruption. Take the case of Mr. X, who needs $6,000 to tide his business over a slack period. He gives a loan shark a promissory not of $8,000. The loan shark discounts the note at the local bank and remits $6,000 to the borrower. The difference is retained by the loan shark as vigorish, while the borrower is obligated to the bank in the amount of $8,000. A finder's fee for the loan shark may also be involved.

In several rarer cases, loan sharks have received *direct loans* from banks. Thanks to a corrupt loan officer, about $1.5 million was lent to a loan-shark operation in one instance. There has even been one arrangement whereby bank officials allowed loan sharks to make their initial contacts near the "immediate credit department" on the bank's premises.

A relatively new scheme making the rounds is a cross between a loan-shark and scam operation: the *mortgage advance-fee swindle*. Racketeers establish a phony company with a name similar to that of a reputable mortgage-money firm. Ads spread the word that mortgage funds can be obtained. When a prospective borrower—businessman or whoever—expresses interest, the company's representatives guarantee that the money is available but require payment of an advance fee, good-faith money. Upon payment, the swindlers are not to be heard from or found again.

RIA observation: The whole matter of avoiding the loan shark trap is one facet of the larger question of ridding your community of mob-dominated enterprises. Elimination of this menace alone would warrant cooperative steps as outlined in the action section, beginning on page 21.

THE NAME OF THE GAME IS MONOPOLY

One of the most lucrative and sought-after objectives of the organized underworld is control over a given segment of business or industry. And it has gained this objective with unsettling regularity.

There are two sides to the monopoly coin: A company suddenly discovers that it is part of a racketeer-dominated industry, or it finds that it is a *customer* of a syndicate monopoly. In some sections of the country, a very substantial part of the private waste-disposal industry is under the tight operational control of organized crime. Territories are assigned, and all businesses within a territory are at the mercy of the waste-disposal outfit serving that area. There are no competitors to switch to.

How could the syndicate manage to carve out this monopoly? Sometimes they buy competitors, sometimes they force them out. Thanks to the tremendous financial resources of organized crime, mob-backed firms can offer cut-rate prices or loan-shark loans that force competitors either into bankruptcy or into a sell-out frame of mind. As the syndicate gains increasing control, consolidations are effected until only a handful of racketeer-dominated firms remain. At this point, of course, cut-rate prices disappear and territorial agreements are arranged. Should a newcomer attempt to compete, he is effectively "discouraged."

One of the *chief tools* used by organized crime to engineer a monopoly situation is the *"association."* Of course, the formation or control of an association could be an end in itself, such as in cases where tradesmen are advised to ante up substantial dues and join the association, which in return will provide protection for limb and property.

One of the most sobering and recent examples of how the association can serve both as an end as well as a means of achieving a much larger criminal objective is the foothold organized crime has gained in the *air-freight industry*, with the bulk of this activity centering on Kennedy International Airport.

While the story of the air freight mess, as revealed by the 1967 public hearings, is interesting for the sheer dramatics of it all, most important from the point of view of the business community are the valuable lessons to be learned in terms of how to *anticipate, recognize the dangers of,* and *cope* with a similar situation should it develop in your own industry or line of business.

First, and *contrary to the common assumption* that the small or unstable business is the usual target, the characteristic of the air-freight industry that made it such an attractive plum for the organized underworld was the *magnitude of the business*. During 1967, an estimated 550,000 tons of air cargo valued at $6.3 billion were moved through Kennedy International. By 1970, the tonnage figure is expected to increase to 794,000. To cover Kennedy's 4,900 acres (160 of which are occupied by air-cargo facilities) and the airport's 37,000 employees is a Port Authority police force of some 142, of which no more than 41 are on duty during any one shift.

For many trucking firms competing for the airfreight business an essential requirement is *reliability of service*. If pick-ups or deliveries are missed because of labor or equipment troubles, for example, customers have little choice but to take their business elsewhere. Reliability is the *jugular vein* of air-freight truckers, and syndicate operators went right for it.

A series of tip-offs that trouble was brewing in the air-freight industry occurred in the 1960–1965 period when a number of *union "consolidations"* were implemented, which resulted in racketeer-led Teamster Local 295 becoming the dominant union in the air-freight trucking field.

Additional storm clouds began to form in the 1962–1965 period when a number of moves resulted in Jet Stream, an association of employers in the air-freight trucking field. Jet Stream ultimately became a division of the Metropolitan Import Truckmen's Association (MITA), the other division representing waterfront truckers. People such as John Masiello, a reputed lieutenant in the Vito Genovese family, and Anthony DiLorenzo, also linked to the Genovese family, cropped up as consultants to MITA.

The MITA *dues scale* began to *escalate*. Total dues income in 1961 was $9,480; in 1966, the figure reached $75,000. One trucker paid an initiation fee of $5,000 and monthly dues of $1,000. Those reluctant to join MITA had to surmount labor trouble, sabotage, loss of customers.

The situation was equally bad from the *customers' point of view*. Airlines served by MITA truckers were continually pushed around, told by Local 295 to drop this trucker or to hire that one. In July 1965, when an airline tried to switch to a non-MITA company, the former was threatened with the shutdown of the entire airport. A boast? Yes, but one no one would casually dismiss.

The list of problems uncovered is endless: The *airlines* were subjected to *dubious collective bargaining tactics;* air-freight *forwarders* were exploited and manipulated by mob-run MITA and its Local–295 adjunct. One CAB-licensed forwarder was subjected to severe pressures in the form of work stoppages, often related to the choice of trucking firms it did business with. *Thefts* alone at Kennedy increased from $45,000 in 1962 to over $2 million in 1967 (excluding $2.5 million of nonnegotiable stock certificates). Authorities say certain employees at Kennedy have been approached by organized crime and informed that there are outlets for certain merchandise.

RIA observation: The air-freight situation underscores the importance of early action. The near-catastrophe in the air-freight industry took *years* to develop. While sporadic protests were filed with the NLRB, CAB, Port Authority police, FBI, and the like, the prevailing characteristic of the industry was one of *unorganized inaction*. The longer an industry puts off action to combat criminal elements, the greater will be that industry's exposure to fear and violence. To delay action merely allows a danger to transform itself from a threat into a pervasive reality. And as organized crime's incursion into an industry increases so also does the amount of *courage* that managers must summon to combat the threat.

A SPECIAL WORD ABOUT LABOR UNIONS

The role played by the union in the air-freight story is but one example of the way that organized crime seeks, if it can, to use labor as a tool against legitimate business. In other industries as well, crime's growing control over a particular labor union has been *the major factor* in its successful invasion.

Control of a union can be useful to the syndicate in a variety of ways. A syndicate firm can get an important *competitive advantage* (via a sweetheart contract, for example) or the syndicate can use its labor control to force a company to buy *"protection"* against unionization. Either way, the legitimate company can be a sitting duck. A racket-controlled labor union has almost unlimited "advantages" as an instrument of obstruction or harassment. That such a use of the penetrated labor union is equally damaging to both employer and employees only enlarges the tragedy.

Today, the unions are attractive to organized crime not only because of their size and potential power, but also because of the enormous sums of money that flow into union treasuries and welfare and pension funds. Union locals in twenty-five separate areas of industry are purported to be either dominated or "controlled from within" by underworld ties. Given the combination of cash and control over a labor union, crime has a competitive advantage that the average company cannot fight alone.

RIA observation: Law enforcement agencies point out that business was a party to its own problem in this case. The hoodlum strike-breaker was invited in by business to prevent unionization in the early days. Once inside, it didn't take long for the underworld to recognize the fact that it could use its strategic position to play both sides to its own advantage. Today, many companies not only knuckle under to the demand for protection payoffs, they hire so-called "labor consultants" at sizable fees to keep their companies free from labor "problems." Such companies are merely compounding their industry's problems, according to top enforcement people.

According to Alfred Scotti, Chief Assistant District Attorney in charge of the Rackets Bureau in New York, organized crime's influence in the labor area is growing. And the fact that *anyone* can establish an independent union makes the problem tougher.

HOW TO TAKE EFFECTIVE ACTION AGAINST ORGANIZED CRIME

The reluctance of the average businessman to take affirmative action against organized crime is understandable: the problem is both too fantastic to be believed and too big to tackle single-handed.

The *real key* to effective protection is *prevention*. Which means that the most important steps you take are those you take *before* you have direct evidence on infiltration. In the following pages you will find the

guidelines for an effective program which can be undertaken at *two levels* simultaneously:

A review and tightening of *internal controls*, to make certain that your company is as "crime-proof" as you like to think it is.

The establishment of an *industry or community group* to tackle the broader prevention program and provide the "watch-dog" function which an individual company cannot carry out effectively on its own.

In addition, you will find practical guidance on *what to do* and where to *go for help*, before, during and after trouble signs are spotted.

Top management's role in reducing the risks

The recent trend toward increased delegation of responsibility and authority down-the-line can seriously reduce a company's ability to lock all its doors against crime. This is particularly true where delegation subtly becomes abdication of authority by top management. There are numerous attractive opportunities for organized crime to gain a foothold in the areas of Purchasing, Sales, Production, Shipping & Receiving—any functional area in which management fails to make periodic checks. The absence of tight management controls is quickly sensed by those on the lookout for an "easy mark."

Actually, what is needed is no more than a firm application of sound management policy. Your purchasing agent need not necessarily be "suspect," for example, for you to evaluate from time to time the reason why certain suppliers are used and why others are not. Playing the role of devil's advocate on occasion is an important management function.

Similarly, where management follows a practice of periodic review and control, it can reduce the possibilities of fraud or irregularity in the Production Department or collusion between truck drivers and receiving clerks in the Shipping Department. A review of your own company will spotlight your vulnerable points and indicate the leaks that should be plugged now before damage occurs.

Internal preventive medicine: avoiding the loan shark

If money is not the *root* of all evil, it is certainly the *route* by which evil can find *easiest entry* to your operations. Since the gambler and the loan shark are often the direct line of contact for organized crime, your company's internal tightening program might well start with an examination of the "locks" on all doors by which they might possibly enter. This includes the *people* who "stand guard" at these doors.

The bad judgment of an individual employee can often boomerang on the entire company. Make certain your employees are aware of the basic cautions regarding the handling of money both their *own* and *corporate funds*. A company-wide educational program might include reminders such as these:

The importance of dealing only with established, reputable sources. If a new lending institution sets up shop in the area, don't blindly put your trust in it just on the hearsay recommendation of a friend. Check out the lender, whether it's a bank, savings and loan outfit, financial consulting concern, or whatever.

Caution against those who emphasize the easy availability of funds, especially in periods of generally tight money.

Steer clear of lenders who are not overly interested in asking about your collateral.

Refuse to do business with any lending outfit that is charging obviously usurious rates.

RIA recommendation: Needless to say, personal financial emergencies will crop up from time to time despite the best laid plans. Encourage employees especially those in *key* positions to discuss such problems with their supervisor or some qualified advisor. There is always a better alternative than that offered by the loan shark. Legion are the people who have tried to buy some time until "things improve" only to find that dealing with a loan shark is virtually the equivalent of stepping on an endless treadmill. Even if things improve later they find that there is no way of taking advantage of it.

Once a key employee is in a position of dealing with a loan shark, the company itself may be in an extremely tough situation. Discharging the employee will not necessarily solve the company's problem. Even if you decide that it is in company's interest to "liquidate his debt" the options can boil down to paying exorbitant loan-shark rates or going to the authorities at the risk of retaliation.

How to get rid of in-plant gambling

Gambling is the next door you may need to consider closing. Unfortunately, campaigns that focus on the hopeless odds or the basic futility of gambling in general, rarely have much lasting impact—unless accompanied by stern disciplinary measures. Management cannot pin all its hopes on an appeal to reason; but neither can it afford to let in-plant gambling go unchecked. Even a strictly *internal* gambling operation can become attractive to an outside bookie.

Not the least consideration—at least from management's viewpoint—is that when a bookie enters the picture, the law is broken, Nevada excepted.

Should you discover that wagering is connected with an outside group or individual, your course of action will take on added urgency. In the latter and far more serious case, don't try to take the matter into your own hands. Keep in mind *two* courses of action: one for the present; the other for the future, to be explored and probably preferred if and when the Internal Revenue Service regains its Supreme Court-curtailed capability of collecting wagering taxes.

Your first step should be to contact the nearest district attorney's or state attorney general's office and explain your problem—even though you may get a lukewarm reception in your state. Some states are more vigilant than others in tracking down the organized-crime implications of gambling. In 1963, for example, over 11,000 gambling arrests were made in the Chicago area; only 17 resulted in jail terms, usually minor. Therefore, if you have any reason to suspect an *interstate gambling operation*, consider informing the nearest *U.S. Attorney*. And in any event, pass along relevant information to the Intelligence Division of the Internal Revenue Service, which may use it to develop a tax evasion case.

Future action may be possible, if the IRS reacquires its Court-removed powers in the wagering tax field. Check with the Intelligence Division of IRS to determine to what extent it has reactivated its past policy of conducting in-plant investigations. Such investigations were conducted in the past if requested by management and if the manpower was available, and if the gambling problem appeared serious enough to warrant the effort. Big advantage of the IRS-conducted investigations was that agents were so skillful that employees were never aware an investigation was going on.

Possibly the *most important reason* why management should take stock of the in-plant gambling situation is that to the degree the activity is permitted to flourish and grow, to that extent is management likely to be in the ironical position of *contributing* to organized crime's largest source of revenue.

How to avoid getting caught in a scam

Your credit department is probably your best line of defense against falling prey to a planned bankruptcy or similar plot to leave you holding the well-known creditor's bag. Since the proverbial ounce of prevention in scam situations is worth at least several pounds of cure, an obvious precaution in minimizing your exposure to scams is to take a hard look at your *credit policies:*

Do you use the services of a credit-rating organization or credit bureau? Do you receive reasonably fast action from such a service?

Should you lower the figure representing the cut-off between orders on which you obtain a credit check before shipment and those on which you do not?

Are you really going to gain much by omitting a credit check and succumbing to a ship-immediately-or-we-cancel order coming out of the blue from a new account?

Are your credit personnel—and salesmen (beware of the too-easy sale)—fully aware of the symptoms portending a scam operation?

If the ownership of a major customer-firm changes hands, and if the principals are not well known to you or to your credit bureau, would it be worthwhile to hire a private investigation company, such as Pinkerton's Inc., to find out just whom you are doing business with?

When you are confronted with a *past-due account*, your first recourse may be to turn it over to a collection agency. When the discovery is made that the account is no longer in business you may be tempted to merely write it off as a tax loss and be done with it, even though you feel you've been defrauded. To close the case at that point, however, has a number of drawbacks, as noted by a Justice Department official. First, such a move can be an obstacle not only to the health of the business community but also to effective law enforcement. Second, scam operations tend to result in credit standards tighter than would otherwise be the case, an outcome which can only put an additional burden on the legitimate customer. And not to be overlooked is the fact that if you prove to be a willing, nonprosecuting victim once, why not a second and third time?

Fighting back against bankruptcy fraud

The enlightened response to bankruptcy fraud is to persevere both in terms of *recouping* as much of your loss as possible and of *prosecuting* those guilty of the fraud. At this juncture, it is wise to consult with counsel regarding the evidence indicating fraud and the legal ramifications of your next moves.

For example, counsel can advise on joining other creditors in the filing of a bankruptcy petition against the debtor and assist in accumulating and presenting evidence of fraud to the trustee or referee in bankruptcy. It should not be assumed that referees or trustees (or their attorneys) in bankruptcy proceedings have the time or resources—or sometimes even the motivation—to investigate all aspects of every case. Creditors must assume responsibility for uncovering concrete evidence of fraud even if the prospect of recovering losses is remote. Formation of a creditors' committee is essential, as is your participation.

The federal laws, other than bankruptcy statutes, under which criminal action can be brought against scam perpetrators are those pertaining to mail fraud; conspiracy; fraud involving use of interstate wire, television, or radio; interstate transportation of fraudulently obtained goods. Creditors, through their committee, should submit any evidence indicating criminal violation to the trustee or referee in bankruptcy during the Section 21(a) examination—a Bankruptcy Act proceeding akin to a general fishing expedition whose purpose is to bring to the attention of creditors, and of officers charged with the administration of the bankrupt's estate, sufficient information to permit intelligent preservation and/or disposition of the estate and effective prosecution if that is indicated.

Frequent bankruptcy-statute criminal violations include concealment of assets (usu-

ally cash or inventory items), fraudulent transfer of assets in contemplation of bankruptcy, and the destruction, mutilation, or concealment of books and records. Interestingly, the existence of less-than-adequate records is not a criminal offense.

Upon the presentation of relevant evidence, the creditors' committee should be sure that the trustee or referee in bankruptcy forwards it to the nearest U.S. Attorney. And further follow-up is recommended regarding the intended action of the U.S. Attorney. If you are working outside the context of a bankruptcy petition and creditors' committee, as a minimum it is usually wise to submit relevant evidence to a U.S. Attorney, and—if mail fraud is involved—to the Postal Inspector's Office. Recourse to state or local law may also be available. As indicated previously, *seek advice of counsel beforehand.*

Fraud prevention help from NACM

A very valuable source of help is available through the Fraud Prevention Department of the National Association of Credit Management (NACM). This Department not only supplies an early warning service but also conducts investigations to obtain the information necessary for indictments and convictions in cases of commercial fraud.

Early warning service: A confidential bulletin is issued nearly every week, arming subscribers with information about certain activities of going concerns, activities that call for immediate close scrutiny by credit grantors. These bulletins not only warn against potential frauds but also keep subscribers up-to-date on developments in cases under investigation. With nationwide intelligence derived from Department subscribers, from NACM's affiliated associations, and from law enforcement agencies, the Department's system of timely alerts is one instance where there is surely strength in numbers.

Investigative service: A request for investigation of a possible commercial fraud may be made by any subscriber. The savings in time, effort, and money are obvious. Since 1925, the Department has conducted over 4,000 investigations, which have resulted in more than 3,000 indictments and 1,800 convictions. Ninety-eight cases are currently pending. Investigations are frequently conducted by former FBI agents, located throughout the country. Cases are accepted when they involve possible bankruptcy violations, mail fraud, fraud by interstate wire, interstate transportation of property obtained by fraud—all federal crimes—and the related offenses under state statutes. Close cooperation exists between the Department and law enforcement agencies.

According to the Department: "When the affairs of a suspected fraudulent debtor are administered under the Bankruptcy Act or under the insolvency laws of the various states, the Department's agents cooperate with the attorney for the trustee or receiver, and with the accountant . . . The scope of the investigation conducted by the attorney and accountant into the debtor's affairs can thus be made much broader and more effective, since information essential to the inquiry can be collected from every part of the nation and used to further the official investigation."

Also: "In those insolvencies in which fraud is suspected but which, for one reason or another, do not find their way into the bankruptcy courts or state courts, the Fraud Prevention Department is very often the only practical recourse of defrauded creditors. This is so because the cost to a creditor of an investigation to develop evidence of fraud acceptable to a law enforcement agency generally far exceeds the original loss."

Membership in NACM—effected by joining one of the affiliated associations—is not a prerequisite for subscribing to the services of the Fraud Prevention Department. The annual fee is $100. (For additional information, contact National Association of Credit Management, 44 E. 23rd St., New York, N.Y. 10010.) You may also wish to investigate the services of NACM proper. Among others, these include—

National Credit Interchange. Through 59 service bureaus, assembles and distributes ledger-experience information and other pertinent facts among participating members.

Collection Department. Through 67 NACM-approved collection bureaus, help creditors collect delinquent accounts.

Adjustment Department. Through NACM-approved bureaus, assists creditors in the rehabilitation or liquidation of distressed businesses.

While not reducing the likelihood of your becoming the object of a planned bankruptcy, *credit insurance* may limit the extent of the losses you sustain as the result of a scam or, for that matter, other causes of credit loss. Not available to retailers, the insurance is primarily for the protection of manufacturers, jobbers or wholesalers that sell to the trade; the coverage is also available to certain service organizations, such as advertising agencies. You may collect under your policy either at the time a customer becomes insolvent or when his account becomes past due. *N.B.*: Credit insurance is designed to cover losses over and above those you *normally* sustain. But if a scam operator secretly takes over a well rated company, chances are your credit policy toward that company is liberal. Thus, when the customer suddenly is bankrupt, your credit losses for that year will probably be above "normal."

The role of the trade association

Business associations, organized along occupational, geographic or industry lines, can be of immeasurable assistance to their members in combating the organized underworld. In fact, the cold efficiency of the underworld's *organization* underscores the necessity for a *counterpart* within industry which can be mobilized for *prompt action* at the incipient stages of trouble. Such an organization can do many things which the individual cannot do alone:

It can forward information to the proper enforcement agencies without fear of libel or reprisal;

It can establish the kind of long-range relationship with the law enforcement officials that will make more feedback possible;

It can often force the law enforcement agencies to take more action be more effective; and

By its very existence, it can discourage organized crime from infiltrating in the area.

Because of its knowledge of the field in which its members operate, a trade association is in a position to draw attention to certain *inherent weak spots* that racketeers are likely to probe and it can recommend appropriate precautions. By serving as a *central depository* of criminal intelligence gathered by its members as well as through its own efforts, the trade association is likely to see "the big picture" and to pinpoint the development of ominous situations.

A trade association can *compile a list of racketeers* that in the past have passed themselves off as consultants, financiers (loan sharks), labor leaders, and the like. It can screen the officers and employees of *unions* with which the association's members must deal. If a known felon crops up, danger flags should be hoisted. It can also be alert for any *unusual maneuvering* within the labor field. It can take a hard look at newcomers into the industry or at the new management of established companies. It can keep close watch on those providing key services to its industry or field.

The obvious first step for a trade association is to *establish a crime section,* which might be manned on a part-time basis to begin with. The second is to urge its member companies to designate someone to serve in a *liaison capacity* with this crime unit. The third is to determine those areas where vigilance will result in the highest anti-crime payoff. And while all the foregoing is taking place, the association should map out a working relationship with prosecuting and/or investigative authorities.

Association members should channel pertinent data to the crime section and the latter should regularly alert members of special developments and of the nature and methods of organized crime generally.

One prime source of anticrime assistance both for associations and individual businesses is the National Emergency Committee of the National Council on Crime and Delinquency (44 East 23rd St., New York, N.Y. 10010). It is taking action to inform businessmen and business associations of the measures they can take to combat organized crime in particular and, in general, to implement necessary changes in our system of criminal justice.

How and when to cry "help"

When confronted by a representative from the criminal underworld selling widgets, protection, a "sweetheart" union deal, an "association" membership, or whatever, management's response should be to *stall.* Don't agree or disagree with the proposal. Do whatever is necessary to gain *time.* Since this is the usual reaction that racketeers experience from those they approach, an initial stall strategy ought not arouse above-normal suspicions by syndicate personnel. Try to get at least a week's time to "think it over."

Whatever you do, try *not* to succumb to the tempting alternative of "going along" with the deal in the hope that by doing so, you will save a lot of time, trouble and risk that recourse to the law might entail. The many case histories cited in this report clearly demonstrate that once the organized underworld sets an initial hook into a business, additional hooks are bound to follow. A company buys the widgets; next it will be asked to hire a "consultant," to employ relatives of syndicate members, to lease equipment from a syndicate-owned enterprise. And so the process of exploitation and intimidation progresses. What was thought to be the easy *out* soon becomes *a very* difficult, troublesome, and risky *lock-in.*

The best way out may initially appear to be the toughest row to hoe: Stall the hoods and contact the proper authorities.

Whom do you contact? Not the man on the beat; not the chief of detectives; not the chief of police nor local sheriff; not the state trooper. While this may be a gross injustice to over 99% of the personnel within those law enforcement groups, the fact is that corruption within, or political pressures on, police personnel is such that one runs a greater risk than he need take, relatively speaking, of coming up against a roadblock of inaction at best, or of discovering that word got back to the syndicate at worst. Also, police units frequently are so busy that your complaint may not be acted on with the requisite speed. Finally, police are not necessarily the most informed group about the disease of organized crime and, as a result, may not be in the best position to prescribe the cure.

RIA recommendations: The "proper authority" to touch base with is a *prosecuting* authority: a D.A., a state attorney general, a U.S. Attorney, the Organized Crime and Racketeering Section of the Department of Justice. Common sense is required here also. If there has been a recent scandal involving the local D.A.'s office, act accordingly. If you have a trusted legal advisor, sound him out regarding the legal climate of the area. Once contacted, the prosecuting authority can mobilize the appropriate police or investigative units (FBI, local, or state police, etc.) into action. The point is, let the prosecuting

authority make whatever contact with police units is necessary. You may want to inform two prosecuting offices: e.g., a D.A. and a U.S. Attorney. Certainly, a U.S. Attorney should be informed if your firm is engaged in interstate commerce or if the nature of the trouble you face has interstate implications. Circumstances may indicate the advisability of also touching base with a local or state crime commission. Whom to contact is a decision you can make *now*—before trouble arrives—and thus save valuable time later. If you belong to a progressive trade association that can carry the ball either for or with you, so much the better.

How to make contact. To be of maximum use to a prosecutor, you will have to identify yourself and supply as many details relating to the trouble as possible: names, dates, conversations, pertinent records. Lack of formal records is a frequent roadblock to an otherwise solid case (such as the absence of a list of goods involved in what you believe to be a mob-engineered fraud). To maximize security, make contact verbally—and not through the company switchboard. If the person you want to speak with is not available, don't leave a message. Call again. At your initial meeting with the prosecutor, you may first want to iron out the ground rules governing action subsequent to your divulging the nature of the complaint or problem. You'll want to be assured that your contact with the prosecuting authority will be kept in the strictest of confidence consonant with an effective solution to the trouble.

Supplying information on an anonymous basis is not as effective: anonymity means that too much detail usually will have to be omitted and prosecution will be stymied. *Facts* are the raw material of enforcing the law; without facts there can be no action. Also, overburdened prosecutors are loath to waste time on marginal cases.

But if a manager is under severe underworld pressure—perhaps involving threats to his family—an anonymous letter is certainly better than nothing. If this is the strategy, send a letter not only to a prosecuting agency but also to the FBI and to a crime commission if one operates within the state. Try to give as many specifics as possible without compromising your identity. Don't simply state there is a bad racketeer situation in such and such an industry; spell out the *nature* of the trouble, *identify* involved syndicate personnel or *companies* if possible.

Many times the mere fact that a crime commission is investigating a certain area is enough to cause racketeers to transfer their attention to less scrutinized fields. In one instance, crime-commission scrutiny of a trade-association racket generated so much heat that the coerced membership dwindled to 17 from 80.

What does cooperation with the law involve in terms of time and cost? According to an authoritative source, cooperation will consume, on the average, less than a week of a businessman's time. This includes answering questions, testifying, gathering records, etc. Costs may include those of travel, legal counsel, loss of potential business because of management's temporary preoccupation with the struggle at hand. But as emphasized previously, the real question is how much *more* time and money would be expended if recourse to the authorities is not taken.

What you cannot expect from the enforcement agencies

Enforcement officers themselves will be the first to admit that they often can provide only limited help. Not only are they hemmed in (as the underworld obviously is not) by the rules of legal procedure, but they are often enlisted too late. Here are a few things the businessman *cannot* expect:

Suppose you suspect Joe Doakes of shady connections. Certainly you should report your suspicions to the proper agency. They will want to know the details and any factual evidence that you can provide. However, they cannot give you clearance that Doakes is O.K. Some District Attorneys tell us that the best they may do in such a case is to say "we have no derogatory information at present." This can be frustrating to the businessman who feels he is risking his own safety by reporting to the law.

Sometimes the evidence of underworld connections seems clearcut, but still the criminal is free to roam on the loose. Enforcement officers cannot prosecute without "admissible evidence" or a case that will hold up in a court of law. Don't expect the local D.A.'s office to clean up your industry on mere "say so" evidence.

Often when a businessman is taken by surprise, he feels that law enforcement officers "should have known" of the presence of a racketeer in the industry or the community. Fact is, that prosecutors and law enforcement personnel are *not business experts.* The businessman himself is in the best position to notice *irregularities* and *peculiarities* that are the warning signs of trouble. In fact, your own delay in reporting such early signals may weaken your position when you finally turn to the enforcement agencies for help. They cannot be expected to carry the entire burden of cleaning out your company or your industry or your community.

How to escalate the war against organized crime

When organized crime invades the business world it does not worry about profits or competition, or any of the normal problems that concern management generally. The only real risk the criminal runs is the *risk of apprehension.* Thus, the business community's efforts should be directed toward *increasing* that risk.

Law enforcement agencies who talked openly with the Research Institute repeatedly emphasized the importance of industry's cooperation in helping them close the net. Charles H. Rogovin, Assistant Attorney General of Massachusetts, points out that there are only 600 law enforcement people in the entire United States at present engaged in the fight against a crime organization whose identified inner-core alone is conservatively estimated to be over four thousand strong.

Other top enforcement people urge businessmen to support the legislation which they say is essential to the successful apprehension of the syndicate leaders:

Electronic surveillance. Enforcement officers generally favor legislation clearly permitting wiretap and eavesdropping devices in cases suspected of involving organized criminals. New York's District Attorney Frank S. Hogan calls such electronic surveillance "the single most valuable weapon in law enforcement's fight against organized crime." Others value such devices as "virtually indispensible to the effective investigation of organized crime."

Immunity. In the words of the President's Commission on Law Enforcement and Administration of Justice: "A general witness immunity statute should be enacted at Federal and State levels, providing immunity sufficiently broad to assure compulsion of testimony."

Crime commissions. Enforcement people would like to see *each* state have its own crime commission, with the power to investigate areas related not only to organized crime but also to the execution and enforcement of the laws of the state and to the conduct of government officers and employees.

Criminal intelligence. Central pooling and sharing of organized crime intelligence among federal agencies and among the various law enforcement units within the states would greatly facilitate law enforcement.

Strengthened labor law. It has been suggested that the federal law be amended to increase the period during which a convicted felon may *not* hold office in any union or trade association from the present period of five years to ten years. Also recommended is the amendment of present legislation to bar any union or trade association from employing a convicted felon *in any capacity* for a period of ten years from the date of his conviction.

Licensing of consultants. State legislation requiring the *licensing* of all persons and companies that are engaged in the business of offering their services as consultants to labor or industry would help to stem the exploitation of legitimate business through this practice.

Other proposals pertain to curbing *loan sharking,* requiring *public disclosure* of those in effective control of a business enterprise, enlisting the assistance of the various regulatory agencies in action against mob-dominated businesses or industries, and allowing as admissible evidence in any criminal prosecution *confessions* which the trial judge determines were given voluntarily.

Proposals such as these merit study by businessmen either individually or through their associations. To the extent that legitimate business takes action interest in shaping the legal environment in which it must function, to that degree is business contributing to its own welfare and survival.

IN SUMMARY

Business must recognize that organized crime is not merely *alive,* but it is *thriving.* And it thrives best on ignorance, laxity and neglect. Every businessman who turns his back on gambling and loan-sharking, who takes his losses on a bankruptcy swindle in silence, or buys labor peace by hiring a syndicate-connected consultant—is lending support to the whole criminal organism.

Some of the first steps may be difficult, even uncomfortable. But business may be runing a greater risk by delay. There's still truth in the old adage that all that is necessary for evil to triumph is for good men to do nothing.

CLEVELAND: NOW—A BOLD PLAN OF SPECIFIC ACTION

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, the city of Cleveland is engaged in a unique plan. Under leave granted, I include a recent editorial comment by television station WJW:

CLEVELAND: NOW—A BOLD PLAN OF SPECIFIC ACTION

Cleveland is on the threshold of greatness. The key to success is an exicting and ambitious master plan that envisions a totally revitalized Cleveland within the next 10 to 12 years at a cost of some $1.5 billion.

Never before in the city's history have its people been afforded a greater opportunity to mold their own future. Never before has there been a greater challenge to reconstruct and redevelop Cleveland in all areas of human endeavor.

Yes, we are enthusiastic about this master plan. Yes, we fully support Cleveland: Now, the first phase of specific action. If you missed Mayor Carl B. Stokes' special report presented on Television 8/this station Wednesday night, here is a brief summary: Cleveland: Now was conceived by the mayor and top civic leaders. It is a $177 million action program based on total commitment by the community. It aims to attack the critical problems in housing, jobs, health and welfare—especially in the inner city—during

the next 18 months. Part of the funds will have to come from the private sector—$10 million from the business community and $1.25 million from you, the general public. If these funds can be raised, the bulk of the money could come from the federal government.

Though Cleveland: Now is not a cure-all for the city's many ills, it will provide the momentum to halt the steady decline of our city and open the gateway to a new and better future for all of its citizens. For a start, Cleveland: Now will concentrate on employment opportunities, youth resources, health and welfare, neighborhood rehabilitation, economic revitalization and city planning.

We cannot possibly detail this bold action program in this editorial. But we can urge everyone in this community to commit himself to this greatest of all challenges and opportunities. This plan must succeed. It must not become a political football, another gimmick, or worse, another high-sounding venture destined to die because the people and their leaders failed to live up to the challange.

Mayor Stokes is apparently determined to implement Cleveland: Now. But he cannot master this tremendous task without help from city councilmen, industrialists, financiers, civic and labor leaders, civil rights groups, clergymen and, above all, you, the people of Cleveland.

In short, while the mayor and his administration must lead the way, all of us must rally behind them. Only then will the day come when every Clevelander can proudly proclaim: "Yes, I live in Cleveland, the greatest city in the nation."

JOE MARTIN—GREAT MAN AND GREAT PATRIOT

Mr. BETTS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BETTS. Mr. Speaker, when I first came to Congress, unacquainted with the Washington scene, I supposed that great men like Joe Martin were completely unavailable. I presumed that years of publicity would cause them to insulate themselves from the rest of us. To my surprise, Joe Martin was completely contrary to my expectations. He made himself available to any freshman Congressman for advice, anytime of the day. He met with us and explained to us the complicated and mysterious problems of Congress and congressional life.

He was a warm, friendly, charming person and much of his life, both political and personal, was devoted to helping others. His years of dedicated public service speak out far more eloquently than I can on the great contributions he made to his country and his party.

Joe Martin was a great man and a great patriot. I am proud that he was one of my friends.

SERVING QUIETLY AND HEROICALLY

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, one group of men in the military service who are serving with distinction in Vietnam are the military chaplains. They are ever on the scene to assist our young servicemen with their personal troubles, and too often, assist them in their last moments on this earth. In Vietnam the chaplain's peril has been increased, for because of the nature of the conflict he must go out into the scene of operations and hold many small services to escape enemy retaliation. Hardly ever are large groups of men called together for services for the threat of large-scale casualties is ever present.

The V.F.W. magazine, in its May issue, carried a fitting tribute to the U.S. chaplains which should be borne in mind when one reads of a clergyman assisting draft dodgers or is guilty of breaking the law to protest our presence in Vietnam. I place the above-mentioned article in the RECORD at this point:

THE UNIFORMED CLERGY: AMERICAN CHAPLAINS IN VIETNAM ARE GIVING THEIR LIVES IN SERVICE TO GOD AND COUNTRY

(By C. Brian Kelly)

When President Johnson attended a Williamsburg, Va. church one Sunday last year, the local minister made world headlines by boldly questioning the nation's involvement in the Vietnam war. Recently, another clergyman was indicted for counseling young men to resist our draft laws.

In other widely-publicized incidents, various men of the cloth have invaded Selective Service offices, preached against the Vietnam war, marched, demonstrated and picketed against it.

From this outcry, it would seem that America's clergy as a whole questions the morality of our government's commitment to defend the South Vietnamese against Communist aggression.

But little-publicized is the fact that hundreds of ministers, priests and rabbis are taking an active role in the war as military chaplains. All volunteers, they have left churches, seminaries and other religious centers to join our fighting men on the battlefields of Vietnam.

There, they minister to the needs of young draftees and older professional soldiers in a strange, often ruthless environment far from home and family. There, they have also responded to the needs of a war-ravaged people.

An astonishing number of combat decorations have been earned by the 1,400 unarmed clergymen who have served there. More than three dozen have been wounded; 10 have died while tending to their "parishioners" on the battlefield. An 11th died on the tragic fire aboard the U.S. carrier *Oriskany* off Vietnam.

The chaplain serving in the Vietnam war is sharing the soldier's risks on a greater scale than ever before in America's wars. "There's no difference in the mission," says Maj. Gen. Charles E. Brown, who retired as Army Chief of Chaplains last summer. "The difference is in the method. In Vietnam, you never call any large body of men together for worship. You go out to the small unit and you hold small services—great numbers of them."

Typically, Navy Chaplain Nilus W. Hubble, Hilton, N.Y. was saying Mass not long ago for men in the Fourth Marines near Chu Lai. Twice, a sniper's fire forced the priest to drop to the ground but he kept on anyway.

Less fortunate was Army Chaplain Ambrosio S. Grandea, a 34-year-old Methodist from Baltimore, Md. As he conducted worship near Pleiku last June, a Viet Cong mortar round landed between his portable altar and the first row of his "congregation," fatally wounding him.

"Circuit riding" like America's frontier preachers, clergymen make the rounds of far-flung patrols by helicopter almost daily. Often, they move out with their men into quickly flaring battles with the Communists.

"Frequently, a soldier would be baptized beside a jungle stream with water out of a helmet," Army Chaplain Max Wilt, Holyoke, Colo., a Lutheran, reported. He himself was injured in a helicopter crash near the Cambodian border.

More recently, Navy Chaplain Vincent Capodanno, 38, Staten Island, N.Y., a Catholic priest, found himself in battle with his beloved Fifth Marines in Que Son Valley. He left the safety of a deep shell crater to find wounded men. A mortar shell smashed his right arm and nearly blew his hand off, but still he moved among the wounded to soothe, pray or give the last rites. Finally, a North Vietnamese soldier stepped from the brush with an automatic weapon and cut the priest down from behind.

In another selfless act, resulting in a posthumous Silver Star, Father Michael J. Quealy, 37, a New Yorker who went to Vietnam from a parish in Mobile, Ala., insisted upon joining men of the Army's First Infantry Division under heavy attack northwest of Saigon. In a now famous declaration, the chaplain told senior officers trying to stop him, "My place is with them."

Survivors of the battle reported the unarmed priest administered the last rites over one fallen man, despite steady fire from three enemy automatic weapons. He was killed minutes later as he knelt over another American.

Still another battle casualty was a Jersey City, N.J. priest who accompanied men of the 173rd Airborne Brigade last November in the bloody struggle to take Hill 875 at Dak To. Army Major Charles L. Watters, 40, was with the troopers as they fought their way towards the hill's crest.

At one point, he dashed out and pulled four wounded men to safety, carrying two of them on his shoulders. Later, as he was praying over more of the wounded, he was killed when an American air strike during the close fighting missed its nearby enemy target. At the time of his death he was near the end of one six-month extension of duty and was waiting for approval to add another six-month period.

Altogether, chaplains in Vietnam have earned more than 300 medals for such heroism. The Army alone has bestowed six Silver Stars and another 151 Bronze Stars on them.

One of the Army's Silver Star winners, Captain Billy R. Lord, a Southern Baptist from New Iberia, La. was with a platoon of infantrymen pinned down by enemy fire near Binh Dinh. Now stationed at Ft. Meade, Md. he minimizes his own heroics but hasn't forgotten those "hairy" moments. The trapped men, every one of them wounded, had to dash for safety across 200 yards of rice paddies to a helicopter evacuation pad on the far side of a shallow river.

"One of the guys said, 'Well, let's pray for us, chaplain,'" he recalls. "So, we had a prayer, then we moved out." However, when the decimated platoon reached the chopper pad, the unit's medic, hit earlier in the shoulder, was missing.

It was Lord who waded back across the exposed river to find the stranded man and help him to safety. Then, after the wounded were flown out, Lord remained behind to accompany fresh troops in their search for the bodies of three Americans killed in the fight.

In another case, Navy Chaplain George R. McHorse, a Southern Baptist from Marble Falls, Texas, saw a chopper with 11 men aboard crash in a combat zone. Ignoring both enemy fire and explosions from the burning craft, he tried to pull the men out.

Adds his Bronze Star citation: "It was apparent that no living being could have sur-

vived the crash, yet he persisted and would not leave. Dropping to his knees, he offered prayer for the victims and finally had to be led forcibly from the explosive area."

Obviously, the American chaplain in Vietnam is continuing a tradition begun at Valley Forge nearly 200 years ago. He ranges far and wide with his rucksack, his portable altar and, often, a Bible tucked in the sweatband of his helmet.

As a career Army chaplain noted, "In World War II, a chaplain would get together a battalion. Now, to cover those same 500 men, you could need as many as 10 chaplains. They go out to a platoon here, a platoon there."

Similarly, the slain Father Capodanno felt deeply that he should accompany his men in the field. "Wherever the Marines are, Father Capodanno is there, in the water or in mud up to his knees," a friend once remarked.

But there is another side to the chaplain story in Vietnam. At the big U.S. bases, at small airfields, in central towns, these "Soldiers of God" have found much good work to do, including church building, to meet the needs of the American buildup in Vietnam.

Navy Captain Frank R. Morton, a Lutheran from Aliquippa, Pa. and division chaplain for the Third Marines, saw to it that 35 chapels, some of them in tents, were provided for his men after they arrived in Vietnam more than two years ago.

Near An Khe, members of the newly arrived Second Surgical Army Hospital were anxious to erect a chapel. The doctors had little engineering knowledge, but they got together with Chaplain Leo Peacock and created a striking sanctuary called the "Miracle of Peace Chapel." With its 18-inch stone walls, the worship place was designed to serve as a bunker too. But the Americans made a lasting impression on the local Vietnamese by installing a window behind the altar so that passing onlookers could see the services inside.

"We hoped they would then understand why we were there," a unit member explained.

Elsewhere in Vietnam, chaplains and their men have worked together to help the local populace in countless ways. Nearly every U.S. base has taken an orphanage, leprosarium, school or church under a protective wing. Clothing, food, toys, candy, surplus building materials and money go in steady streams to the needy institutions. Under a program organized by Air Force chaplains at Bien Hoa air base, four orphanages, two hospitals, a leprosarium, two convents, two refugee centers and a parish school receive continuous aid from their American neighbors. Just for good measure, the airmen also started a chicken farm at a nearby mental hospital.

The Army's 394th Transportation Battalion at Qui Nhon built a cement-block village for local refugees. Practical "gifts" arranged by U.S. chaplains elsewhere have including pigs, basketball courts, a nursery for one orphanage and a water tower for another, as well as six motorbikes given to local missionary workers for their rural evangelism work.

First and foremost, however, the chaplains serve the American boy away from home and church. Naturally, some of the questions they hear reflect the Vietnam war controversy at home. Nonetheless, Army Chaplain Brown says, "I've never had any soldier ask me, 'Chaplain, what am I doing here?' I have had dozens ask, 'Why don't they turn us loose and let us whip the enemy?'"

Likewise, the Navy's Chief Chaplain, Rear Admiral James W. Kelly, recently returned from Vietnam with the report that American fighting men there feel "a God-centered morality about our involvement."

He added: "The average young marine or sailor does not see the war as honoring our international commitments or containing militant Communism. He sees it as defense of an otherwise helpless people from the horrors of Viet Cong terrorism. He sees his involvement and that of his government as essential and honorable and moral."

Kelly also condemned war protests at home as harmful to the fighting men. "It is both unjust and immoral to strike at the very heart of their strength—their conviction that what they do is both necessary and right—by constantly questioning the propriety and morality of their involvement."

Both Brown and Kelly report high morale and few dissenters among our servicemen in Vietnam. "The American soldier over there realizes what a monster the enemy is," says Brown. "He has a great desire to close with him and destroy him—he knows the enemy has an avowed purpose of murder."

There's little doubt the fighting man finds solace and inspiration from the uniformed clergy. Mourning Father Capodanno, a young marine said, "It was a funny feeling when he was around here—sometimes he would just put his hand on your shoulder and he'd make you feel great." Adds Silver Star winner Lord, "When the men turn around and see you there in the mud with them . . . Well, you just know what their feeling is."

As Brown pointed out, "The Viet Cong carry political commissars, but they don't carry a single chaplain." No one who has served in Vietnam has missed that vital difference.

DISRUPTING THE PUBLIC SCHOOL SYSTEMS

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, the May 13 issue of Washington Monitor, a publication of the National School Public Relations Association carried information on a series of demands presented to the Office of Education by the Poor People's March on Washington, D.C. Commissioner Howe stated that he thought the demands were "reasonable requests" and sent a copy of the demands to all chief State school officers and to all superintendents of schools in cities with a population of more than 100,000. Of course, it is not surprising that Commissioner Howe found these demands reasonable, for it will be remembered that it took concerted action on the part of Members of Congress to stop the Commissioner from pushing his busing program and educational parks scheme not too long ago.

Neither is it surprising that the demands advanced programs of additional Federal control and grants. But why the Commissioner chose to use Federal funds to disseminate their demands escapes me. A UPI dispatch appearing in the Washington Star of April 22 quoted the late Reverend Martin Luther King's brother, Rev. A. D. King as saying, regarding the march on Washington:

> We are going to Washington and disrupt Washington so it cannot function unless it does something about the black folk.

The same article quoted a Washington coordinator of the march, Anthony Henry, as saying that they would use the Mall whether permission is granted or not.

I hope those educators who received Mr. Howe's communication will appreciate the extremism of some of the leaders of the Poor People's March. I hope they apply this "disruption" policy to their own schools and school systems.

I place the article, "Poor People's March Lists School Demands," from the Washington Monitor of May 13, issued by the National School Public Relations Association, in the RECORD at this point:

POOR PEOPLE'S MARCH LISTS SCHOOL DEMANDS

The Poor People's March on Washington, D.C., has presented U.S. Comr. of Education Harold Howe II with a series of demands for radical changes in education policy. The demands, given to Howe during a three-hour meeting with leaders of the march's advance contingent, call for "an end to the preferential treatment given to high salaried administrators, to antiquated and racist state departments of education, and to politicians who generally respond only to white, middle-class constituencies and the pampered schools of suburbia." The statement adds: "We demand that the U.S. Office of Eucation (USOE) and the Dept. of Health, Education, and Welfare (HEW) reverse their priorities to give primary and massive attention to the needs of poor black, brown, and white children and parents—and to the criminally deficient schools these children attend."

HEW, the statement declared, should:

"Abolish freedom of choice of school desegregation plans in the South and adopt clear guidelines which would require and result in the eradication of dual school systems by fall of 1968. . . . A massive program to end Northern urban school segregation should be immediately implemented.

"Establish a national structure and mechanism which provides for continuous input by poor black, brown, and white people in the design, development, operation, and evaluation of all federally funded education programs.

"Increase the accountability of local schools receiving federal assistance by requiring that per pupil expenditures, dropout rates, and reading levels by school and grade be made available to the public on a regular basis.

"Develop a comprehensive federally funded program designed to prepare in-service teachers for certification or recertification and upgrading skills. USOE should establish standards to require that the content of these training programs adequately prepare persons to cope with the needs and programs of poor black, brown, and white urban and rural youngsters.

"HEW should require that all state departments of education develop recruitment and promotional policies which will utilize minority group personnel in key policy-making positions."

A copy of the statement of demands has been sent by Howe to all chief state school officers and to all superintendents of schools in cities with a population of more than 100,000. In an attached memorandum Howe offered this comment: "On the whole, we believe that they are reasonable requests in regard to legitimate complaints, even though they do not recognize the considerable efforts of recent years. . . Finally, let me say that these demands came to all of us at a particularly difficult time in terms of resources to do the job. Not only have local, state, and federal resources for the schools been under severe pressure for economy this year, but also we face in fiscal 1969 (begins July 1, 1968) an impending requirement for major federal expenditure reduction as well as reductions in appropriations and in the authority to obligate funds."

Howe offered his fellow school officials a pledge to "do everything I can to focus the reductions USOE has to absorb in areas which will have minimal effect on programs serving the poor." Then he warned: "From my knowledge of the situation at the present

time, I have to tell you that I see the possibility that these programs will suffer some reduction. As firm information on this matter develops, I shall keep you informed so that your planning and ours for the maximum possible service to those with the greatest need can be maintained." Howe asked "for any suggestions you wish to send me."

GOOD MORNING, GOD

Mr. WILLIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. WILLIS. Mr. Speaker, yesterday I was very pleased to have as visitors in my office a number of constituents from my congressional district, who were in Washington to attend an Independent Food Dealers of America Association convention. These constituents were:

Mr. and Mrs. Vincent Cannata.

Mr. and Mrs. Tanos Joseph.

Mr. and Mrs. Lewis F. Morgan.

During the course of their visit, Mr. Joseph, who is an outstanding Catholic layman in Louisiana, presented me with a personal calling card, on the back of which was a prayer entitled, "Good Morning, God." Since I found this prayer very inspiring, I thought I would share it with you. It follows:

GOOD MORNING, GOD

Good morning God, and thank You
For the glory of the sun,
Thank You for the health I have
To get my duty done.
I shall devote the hours of this
Golden day to You,
By honoring Your Holy Name
In everything I do.
I shall pursue my daily art,
Without complaint or fear,
And spend my every effort
To be friendly and sincere.
I know there have been many days
That I have whiled away,
But this is one that I will try,
To make Your special day,
So once more, Good Morning, God
And please depend on me,
Because I want to honor You . . .
For all eternity.

SAFETY ON THE JOB

Mr. MEEDS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MEEDS. Mr. Speaker, the Congress in recent years has written an outstanding record in improving safety in our lives.

We have passed the Flammable Fabrics Act, two fine bills strengthening the Coal Mine Safety Act, drug abuse legislation, and a Child Safety Act dealing with dangerous toys and lethal household items. Last year we approved the landmark Highway Safety Act and the Auto Safety Act. Many of these constructive laws were developed by the chairman of the Senate Commerce Committee, Washington's own WARREN G. MAGNUSON.

For many years organized labor and others have pleaded for a comprehensive Federal law that will assure safe and healthful conditions in the Nation's workplaces. Largely because labor has persisted and struggled forward, Congress is now giving serious consideration to the Occupational Health and Safety Act of 1968.

The Federal effort to promote job safety has been fragmented and piecemeal. Yes, we do have laws regulating safety on the Nation's railroads and for the airlines. But it just may be safer to fly in a jet than to work on the ground.

Each year 14,500 American workers are killed in job accidents. And 2.2 million of them are disabled, and $1.5 billion in wages is lost. Add to this the $6.8 billion loss the economy suffers each year because of accidents, and add the increasing cost of workman's compensation, and you begin to wonder why Congress has not acted before now.

H.R. 14816, the Occupational Health and Safety Act, is being considered now in the House Select Subcommittee on Labor. As a member of that subcommittee, it is my honor to work in writing the new legislation.

Opposition to the bill has developed, some of it substantive, some of it generated by "scare" information released by otherwise-reputable groups. I am hopeful that we will be able to write some improvements in the bill and then move forward to enact a truly sensible and necessary health and safety law.

The executive council of the AFL–CIO in February adopted a policy statement on H.R. 14816. I believe that this statement, as well as information from all sides, merits the close and careful study of the House of Representatives. Under unanimous consent, I place the statement at this point in the RECORD, as follows:

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1968

(Statement by the AFL–CIO Executive Council, Bal Harbour, Fla., Feb. 22, 1968)

Organized labor has for many years called attention to the urgent need for a strong, broad-based federal attack to control or eliminate any factor on the job damaging to workers' health and safety. We have stressed both the problem and the far over-due need for action in policy statements adopted by both the 1965 and 1967 conventions of the AFL–CIO.

The active concern and leadership of organized labor has been a major factor in the formulation of President Johnson's proposal set forth in his manpower message of January 23, "to establish the nation's first occupational health and safety program."

We strongly endorse the President's goal of protecting "every one of America's 75 million workers while they are on the job" by attacking the "source of evil which causes hazards and invites accidents."

America's workers comprise 40% of the population. They pay 60% of the nation's taxes. But 80% of these workers are employed where there is little conventional safety and no occupational health protection whatsoever.

The annual death and accident rate is a grisly reminder of national neglect. Each year 14,500 workers are killed at their jobs; 2.2 million are injured; 250 million man-days of work, $1.5 billion in wages and more than $5 billion in production are lost.

The Administration's proposed Occupational Safety and Health Act of 1968 has been introduced in the Senate by Senator Yarborough (S. 2864) and in the House of Representatives by Representative O'Hara (H.R. 14816). These are identical bills.

This legislation is most welcome and should obtain the strongest support from all elements of organized labor. It will constitute, with a few strengthening amendments and with adequate appropriations for needed research, planning and manpower, the first historic breakthrough toward the long neglected goal of a safe, healthy work environment for every American holding a job. It agrees with the program proposals set forth by organized labor for the past three years. And it will hopefully end an almost unbroken era of inadequate federal and weak, archaic and poorly financed state laws and programs.

The Occupational Safety and Health Act of 1968 will cover 50 million workers in interstate commerce and provide for federal grants-in-aid to qualifying states for planning, demonstration, improved administration and enforcement to meet the Act's objectives.

The Secretary of Labor is directed to conform standards developed under this Act to those of other laws he administers and to coordinate programs of other agencies with those created by this legislation.

Under the proposed Act, the Secretary of Labor will:

1. Establish mandatory safety and health standards affecting interstate and intrastate commerce.

2. Inspect and enforce for violations, assess civil penalties, including closing down of unsafe plants and cancellation of federal contracts, or seek criminal penalties.

3. Encourage and assist states to develop effective occupational health and safety programs, including short-term manpower training programs.

The Secretary of HEW will:

1. Expand research and investigations into occupational hazards.

2. By grant or contract, conduct educational programs to increase the supply of manpower in the occupational health field.

3. Establish management-labor educational programs for prevention and control of occupational hazards.

4. Gather data on occupational diseases for research, standards setting and compliance programs.

5. Assist states in establishing and/or improving occupational health and safety programs.

We urge the following amendments which we believe will strengthen this legislation and ensure a more effective pursuit of its broad aims:

1. Establishing a statutory Center for Occupational Health within the Department of HEW, standing equally with the Center for Air Pollution Control and absorbing the responsibilities of other elements within the U.S. Public Health Department which deal with occupational hazards. Presently, the Division of Occupational Health, which never in history has had statutory existence, is merged with a number of other health related agencies and physically located in Cincinnati, Ohio. This unfortunate situation should be remedied immediately if the responsibilities of the Secretary of HEW set forth in this legislation are to be carried out effectively.

2. Giving the Secretary of Labor the power to pull back any delegation of authority to any state to conduct an occupational health and safety program, if such a state fails to live up to the conditions imposed by the Secretary.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. HANLEY (at the request of Mr. PRYOR), from 2 o'clock p.m.,

Wednesday, May 15, 1968, until 12 noon on Monday, May 20, 1968, on account of death in immediate family.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. EDWARDS of Alabama (at the request of Mr. RAILSBACK), for 60 minutes, today; to revise and extend his remarks and to include extraneous matter.

EXTENSIONS OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ICHORD and to include extraneous matter.

Mr. BETTS and to include extraneous material.

Mr. HOSMER (at the request of Mr. SMITH of California) to include extraneous material during his remarks in general debate today.

Mr. HARRISON (at the request of Mr. SMITH of California) to include extraneous material during his remarks in general debate today.

Mr. SAYLOR to revise and extend his remarks made in Committee of the Whole and to include extraneous matter.

Mr. JOHNSON of California to revise and extend his remarks made in Committee of the Whole and to include extraneous matter.

(The following Members (at the request of Mr. RAILSBACK) and to include extraneous matter:)

Mr. CLANCY.
Mr. GROVER in three instances.
Mr. ASHBROOK in two instances.
Mr. WYMAN in three instances.
Mr. SCHERLE.
Mr. MCCLOSKEY.
Mr. MIZE.
Mr. ZWACH in two instances.
Mr. SCHWENGEL.
Mr. ESCH.
Mr. WINN.
Mr. BATTIN.
Mr. HALL.
Mr. SCOTT.
Mr. HUNT in two instances.
Mr. HARVEY.
Mr. MATHIAS of California.
Mr. WAMPLER.

(The following Members (at the request of Mr. TUNNEY) and to include extraneous matter:)

Mr. POOL.
Mr. OTTINGER.
Mr. MOORHEAD in four instances.
Mr. MORRIS of New Mexico.
Mr. PEPPER in two instances.
Mr. CULVER.
Mr. RESNICK in two instances.
Mr. PODELL in three instances.
Mr. MOSS in four instances.
Mr. GILBERT.
Mr. CABELL.
Mr. GONZALEZ in three instances.
Mr. ASHLEY.
Mr. EILBERG.
Mr. O'NEILL of Massachusetts in four instances.
Mr. EVINS of Tennessee in four instances.
Mr. POLANCO-ABREU.
Mr. HANLEY.
Mr. SHIPLEY.
Mr. BROWN of California in two instances.
Mr. MINISH.
Mr. RYAN in two instances.
Mr. RODINO.
Mrs. HANSEN of Washington in two instances.
Mr. KORNEGAY in two instances.
Mr. VANIK in two instances.
Mr. RARICK in six instances.
Mr. BOLAND in three instances.
Mr. NICHOLS.
Mr. BURKE of Massachusetts.
Mr. MURPHY of New York.
Mr. GREEN of Pennsylvania in two instances.
Mr. PHILBIN in two instances.
Mr. COHELAN in three instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 758. An act to amend the Interstate Commerce Act to enable the Interstate Commerce Commission to utilize its employees more effectively and to improve administrative efficiency; to the Committee on Interstate and Foreign Commerce.

S. 3159. An act authorizing the Trustees of the National Gallery of Art to construct a building or buildings on the site bounded by Fourth Street, Pennsylvania Avenue, Third Street, and Madison Drive NW., in the District of Columbia, and making provision for the maintenance thereof; to the Committee on Public Works.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 68. An act for the relief of Dr. Noel O. Gonzalez;

S. 107. An act for the relief of Cita Rita Leola Ines; and

S. 2248. An act for the relief of Dr. Jose Fuentes Roca.

ADJOURNMENT

Mr. TUNNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Thursday, May 16, 1968, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1844. A letter from the Deputy Secretary of Defense, transmitting a notification of deficiencies authorized to be incurred for the necessities of the current year in certain appropriations, pursuant to the provisions of subsection (b) of R.S. 3732 (41 U.S.C. 11); to the Committee on Appropriations.

1845. A letter from the Acting Secretary, Department of Health, Education, and Welfare, transmitting the annual report of the Department for the fiscal year 1967; to the Committee on Education and Labor.

1846. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to authorize the payment of expenses of preparing and transporting to his home or place of interment the remains of a Federal employee who dies while performing official duties in Alaska or Hawaii, and for other purposes; to the Committee on Government Operations.

1847. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to authorize the preparation of a roll of persons whose lineal ancestors were members of the Confederated Tribes of Weas, Piankashaws, Peorias, and Kaskaskias, merged under the treaty of May 30, 1854 (10 Stat. 1082), and to provide for the disposition of funds appropriated to pay a judgment in Indian Claims Commission docket No. 314, amended, and for other purposes; to the Committee on Interior and Insular Affairs.

1848. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting reports concerning visa petitions approved, according the beneficiaries third preference and sixth preference classification under the Immigration and Nationality Act, as amended, pursuant to section 204(d) of the act; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. S. 1166. An act to authorize the Secretary of Transportation to prescribe safety standards for the transportation of natural and other gas by pipeline, and for other purposes; with amendment (Rept. No. 1390). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. BOLTON:

H.R. 17289. A bill to establish a National Commission on Youth Problems; to the Committee on Education and Labor.

By Mr. CELLER:

H.R. 17290. A bill to amend the Immigration and Nationality Act to facilitate the entry of certain nonimmigrants into the United States, and for other purposes; to the Committee on the Judiciary.

By Mr. EVERETT:

H.R. 17291. A bill to amend the Federal Food, Drug, and Cosmetic Act to include a definition of food supplements, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FINO:

H.R. 17292. A bill to provide that any alien in whose behalf a petition for sixth preference is filed under the Immigration and Nationality Act before July 1, 1968, shall be permitted to remain in the United States until a sixth preference immigrant visa becomes available to such alien, and for other purposes; to the Committee on the Judiciary.

By Mr. FULTON of Tennessee:

H.R. 17293. A bill to encourage national development by providing incentives for the establishment of new or expanded job-producing industrial and commercial facilities in rural areas having high proportions of persons with low incomes, and for other purposes; to the Committee on Ways and Means.

By Mr. HARRISON:

H.R. 17294. A bill relating to the authority of the States to control, regulate, and manage

fish and wildlife within their territorial boundaries; to the Committee on Merchant Marine and Fisheries.

By Mr. LENNON:

H.R. 17295. A bill to encourage the growth of international trade on a fair and equitable basis; to the Committee on Ways and Means.

By Mr. LONG of Louisiana:

H.R. 17296. A bill to provide for the election of circuit and district judges under the provisions of the article of amendment to the Constitution proposed by House Joint Resolution 1269 of the 90th Congress; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H.R. 17297. A bill to provide for orderly trade in iron ore, iron, and steel mill products; to the Committee on Ways and Means.

By Mr. CHAMBERLAIN:

H.R. 17298. A bill to provide for a national cemetery at Fort Custer, Mich.; to the Committee on Veterans' Affairs.

By Mr. GONZALEZ:

H.R. 17299. A bill to provide for the appointment of the Federal Savings and Loan Insurance Corporation as receiver, and for other purposes; to the Committee on Banking and Currency.

By Mr. HOWARD:

H.R. 17300. A bill to enable baby chick, started pullet, laying hen, and table egg producers to consistently provide an adequate supply of these commodities to meet the needs of consumers, to stabilize, maintain, and develop orderly marketing conditions at prices reasonable to the consumers and producers, and to promote and expand the use and consumption of such commodities and products thereof; to the Committee on Agriculture.

By Mr. KEITH:

H.R. 17301. A bill to provide for an equitable sharing of the U.S. market by electronic articles of domestic and foreign origin; to the Committee on Ways and Means.

H.R. 17302. A bill to encourage the growth of international trade on a fair and equitable basis; to the Committee on Ways and Means.

By Mr. KORNEGAY:

H.R. 17303. A bill to encourage the growth of international trade on a fair and equitable basis; to the Committee on Ways and Means.

By Mr. MATHIAS of Maryland:

H.R. 17304. A bill to provide an equitable system for fixing and adjusting the rates of compensation of wage board employees; to the Committee on Post Office and Civil Service.

By Mr. MURPHY of New York:

H.R. 17305. A bill to amend the Public Health Service Act so as to extend and improve the provisions relating to regional medical programs, to extend the authorization of grants for health of migratory agricultural workers, to provide for specialized facilities for acoholics and narcotic addicts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. RARICK:

H.R. 17306. A bill to amend the tariff schedules of the United States with respect to the rates of duty on fresh, prepared, or preserved strawberries; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 17307. A bill to provide for a study of the extent and enforcement of State laws and regulations governing the operation of youth camps; to the Committee on Education and Labor.

By Mr. RUPPE:

H.R. 17308. A bill to make available half the revenues from the excise tax on pistols and revolvers to the States for target ranges and firearms safety training programs, and to make the other half of such revenues available to the Federal aid to wildlife restoration fund; to the Committee on Merchant Marine and Fisheries.

By Mr. WYMAN:

H.R. 17309. A bill to provide for an exemption from tax for tobacco products furnished to inmates of certain penal institutions; to the Committee on Ways and Means.

By Mr. DINGELL (for himself, Mr. CONYERS, Mr. DIGGS, Mr. WILLIAM D. FORD, Mrs. GRIFFITHS, Mr. NEDZI, and Mr. O'HARA of Michigan):

H.R. 17310. A bill to designate certain lands in the Seney, Huron Islands, and Michigan Islands National Wildlife Refuges in Michigan as wilderness; to the Committee on Interior and Insular Affairs.

By Mr. FLYNT (for himself, Mr. BROTZMAN, and Mr. RHODES of Arizona):

H.R. 17311. A bill to adjust the retirement status of permanent professors at the U.S. Military Academy and the U.S. Air Force Academy; to the Committee on Armed Services.

By Mr. BOW:

H.J. Res. 1272. Joint resolution making a supplemental appropriation for the fiscal year ending June 30, 1968, and for other purposes; to the Committee on Appropriations.

By Mr. JOHNSON of Pennsylvania:

H.J. Res. 1273. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H.J. Res. 1274. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. GUDE:

H. Con. Res. 777. Concurrent resolution recognizing the importance of the 28th International Congress on Alcohol and Alcoholism to world health; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIAS of Maryland:

H. Con. Res. 778. Concurrent resolution to establish a joint congressional committee to reexamine the objectives and nature of the foreign assistance programs and the relationship of such programs to vital U.S. interests; to the Committee on Rules.

By Mr. PEPPER:

H. Con. Res. 779. Concurrent resolution to create a joint congressional committee to provide Congress with a plan for legislation to deal with the crisis of the cities; to the Committee on Rules.

By Mr. SHIPLEY:

H. Res. 1174. Resolution concerning investigation of operations of U.S. military credit unions in the European and Pacific commands; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred to as follows:

By Mr. ADAMS:

H.R. 17312. A bill for the relief of Salome Eleria Villanueva; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H.R. 17313. A bill for the relief of Antonino Abrignani; to the Committee on the Judiciary.

By Mr. BRASCO:

H.R. 17314. A bill for the relief of Antonio Mignanelli; to the Committee on the Judiciary.

H.R. 17315. A bill for the relief of Teresa Petralito; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.R. 17316. A bill for the relief of Katina Kapiniari; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 17317. A bill for the relief of Gino Volpi; to the Committee on the Judiciary.

By Mr. HANNA:

H.R. 17318. A bill for the relief of Maria Nelly Toscano; to the Committee on the Judiciary.

By Mr. HAWKINS:

H.R. 17319. A bill for the relief of Yoko Jimbu; to the Committee on the Judiciary.

By Mr. ICHORD:

H.R. 17320. A bill to authorize the Secretary of Agriculture to grant an easement over certain lands to the St. Louis-San Francisco Railway Co.; to the Committee on Agriculture.

By Mr. ROONEY of New York:

H.R. 17321. A bill for the relief of Miss Georgina Ongpin Villacorta; to the Committee on the Judiciary.

By Mr. ROONEY of Pennsylvania:

H.R. 17322. A bill for the relief of Maria Carcione; to the Committee on the Judiciary.

By Mr. TUNNEY:

H.R. 17323. A bill for the relief of Aggeliki J. Boudouvas; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

316. The SPEAKER presented a petition of the Municipal Council of the City of Clifton, N.J., relative to the weight restrictions on interstate highways, which was referred to the Committee on Public Works.

EXTENSIONS OF REMARKS

A THIRD PRESIDENTIAL CHOICE FOR MID-SOUTH CONSERVATIVES

HON. ALBERT GORE

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Wednesday, May 15, 1968

Mr. GORE. Mr. President, Senators will be interested, I am sure, in an article entitled "Conservatives Flock to Another Byrd," published in the Memphis Commercial Appeal of April 27, 1968. The article was written by Mr. Morris Cunningham, a veteran Washington correspondent for the great Memphis newspaper.

I ask unanimous consent that the article, which relates to the distinguished junior Senator from West Virginia [Mr. BYRD], be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CONSERVATIVES FLOCK TO ANOTHER BYRD

(By Morris Cunningham)

WASHINGTON, April 27.—Mid-South conservatives, many of whom are torn between Republican Richard M. Nixon and Southern Democrat George C. Wallace, soon may have a third choice.

Senate sources reported late this week that Senator Robert C. Byrd (D-W. Va.) is seri-