ABSTRACT OF SECRETARY HOOVER'S STATEMENT
ON THE COLORADO RIVER BEFORE THE HOUSE
COMMITTEE ON IRRIGATION AND RECLAMATION
MARCH 3, 1936.
This subject has been before this Committee for years. Most of the members have visited the region and I should be wasting the committee's time by any review of the physical situation. If it were possible I should like to lend emphasis to the necessity for action in solution of this question. We have here in the Arizona and California valleys a considerable population and great wealth subject to the great menace of terrific spring floods of the Colorado River and these floods to the California Valley are a large part unique menace. Because or that area lies below sea level and once the river breaks its banks it means either complete destruction or enormous expenditure at the recovery of the valleys. There is very large production and wealth from this area both now and in the future. Its credit standing and the possibilities of expansion in agriculture are constantly limited by the threat of flood.

There is further urgent necessity for solution because of the international questions involved in the use of these waters by which permanent losses may be incurred to the United States through delay. Beyond this again is the urgent necessity for completion in order that water for municipal and domestic purposes may be rendered available to the million and a half people in Southern California.

Beyond the question of urgency are other questions of very large national importance - the development of further agricultural areas of power and increased national wealth. The problems surrounding this question do not lie in the lack of enormous resources in water, in arid land or in power or the private or public capital to develop it.
The difficulties which make the problem are the sharp conflicts of opinion of the people in the basin. A multitude of questions as to their rights, their interests and the method of development of the river. These conflicts have been in progress for the last twenty years.

I do not need to recall to the Committee my own association with the problem beginning with 1922, when at the requests of the seven governors of the states in the basin and of President Harding I undertook the chairmanship of the Colorado River Committee, which was assigned by Congress and by the state legislatures a duty of composing the twenty year interstate water right fight over this river and its tributaries.

This Commission spent nearly two years in negotiation and hearings and finally signed an interstate compact at Santa Fe, New Mexico, on November 24, 1922 subject to ratification by the legislatures and by Congress. The compact was devoted solely to the question of water rights, it being thought that the only road to solution of many conflicts was by taking one at a time, and in the agreement no attempt was made to settle all the water right questions between the seven states but only to separate the water rights of the four upper basin states from those of the three lower basin states, thus localizing the whole difficulty and freeing the development of each basin.

The compact was ratified by all of the states except Arizona, whose legislature did ratify it subject to certain reservations but approval was refused by the Governor. A subsequent attempt was made to ratify the compact on a six-state basis and failed in California.
The failure to secure solution to this primary question and thus clear the road for construction in the lower basin has been largely due to the desire of some groups in different states to assure themselves as a condition of ratification that their views as to the character of engineering works and their control should be adopted.

Except for one group in Arizona I do not believe there has been any serious challenge to the equity established by the compact.

As a method for advancing solution of this problem it has been proposed that construction under authority of the Act now before the Committee, should not be undertaken until California unreservedly ratifies the compact on a six-state basis and that assurances should be given to the northern states that no water rights would accrue to the citizens of any non-compact state from storage of water as the result of this dam.

If adopted this method at least composes a very large part of the interstate water conflict leaving only the question of Arizona to be settled. It has been my feeling that if Arizona could confine her discussions with the lower states to the water rights only, solution could be found. The difficulty is that her officials have insisted upon injecting numbers of other questions as a condition for agreement on water rights.

There has been great conflict over the character and location of the first works to be erected in the river. I believe the high dam should be erected in the vicinity of Boulder Canyon which would serve a triple purpose of flood control, water storage and development of power as the best compromise in all these views.
There are theoretical engineering reasons for establishing storage works further up the river and flood control works lower down the river. They will undoubtedly both be built in time. The practical problem, however, is what we need to do for the immediate generations and it has always seemed to me that by one construction in this locality we can accomplish three purposes of storage, flood control and power to sufficient extent to cover the next forty years, and being the nearest point to market for power we would have a larger economic return from works established there.

There has also been great conflict over the method of financing the problem. The cost of this development has been estimated by engineers of the Department of the Interior as $41,500,000 for the Dam, $31,000,000 for the All American Canal, $31,600,000 for electrical generator equipment at the Dam, interest during the construction period $21,000,000.

It is obvious that the National Government could not be called to take on enormous expense of this character and that the burden should be born by the beneficiaries. Although the Nation as a whole would receive great benefits from added wealth and taxation. The people of the southwest have at all times been willing to assume the burden but there are most vivid conflicts as to how it might be accomplished. In an endeavor to compose this conflict Secretary Work, Dr. Meade, head of the Reclamation Service, and myself proposed a short, and I believe a simple plan by which the Federal Government should lend its credit to the issuance of bonds, that no construction work or the use of this credit should be
undertaken until valid contracts had been entered upon for the sale of power, the sale of domestic water, the sale of irrigation water in an amount that would cover amortization and interest on the bond issue necessary to carry out the project. There would, therefore, be no charge upon the taxpayer in the country as a whole. I am glad to say that this proposal seems to have met almost universal approval and has further composed a great line of conflicting interest.

There remains practically only the outstanding conflict of major importance — that of the state of Arizona refusing to accept the compact and wishing to make acceptance conditional on prior agreement on various questions by the states of California and Nevada. I have felt that the public interest of the people involved is so great that the whole of this enormous work should not be held up because of this last remaining fraction of opposition. I believe Arizona is amply protected under the compact. Our proposals meet 90 per cent of all this mass of conflicting views. I feel that this opposition so far as water rights are concerned arise out of a miscalculation as to the resources of the Colorado River. Certainly for all practical development that could be undertaken within the next 75 years there is more water than can be used by the whole of the 7 states. The Colorado River compact allots approximately 60 per cent of the water. 40 per cent of it as provided in the compact can be reallocated at the end of 40 years. There is ample provision therefore for readjustment in the respective rights of the different states based upon the merits at that time.
It seems to me almost fantastical to be fighting the shadows of what may happen under these circumstances 75 years hence. Suppose we had endeavored in 1850 to determine and settle for today what would have been the best solution of any of a hundred problems. For instance, Faraday's great discovery in electrical induction, from which the whole electrical development of the world has sprung—who could have foreseen its effect on the best solution.

I am one of those who have a great deal of confidence that all anticipations over physical questions inevitably bend themselves to the forces of life and that if we can provide for equity for the next 40 to 75 years we can trust to the generation after the next to be as intelligent as we are today. They will settle it in the light of the forces of their day.

In the bill as it is now proposed there are a number of secondary amendments which I believe could well be hammered out by the Committee. For instance, it seems to me that we should not depart from the national policy established by the Water Power Act and that the handling of the power question at this dam should be placed in the hands of the Federal Power Commission to give licenses for the use of the water for power purposes under the Water Power Act without imposing a new system of allocation. Of course any licenses issued should be subject to the approval of the Secretary of the Interior as to the major purposes of finance of the obligations of the government, and other requirements of the region.
I have no sympathy with Federal Government going into the power business. In this case our dominant purpose is flood control, irrigation, and domestic water. Power is a by-product and we should sell it on such terms as will recover with the sale of water the governmental outlay. It should be licensed as water to people who will construct the electrical works, if possible, but if this is impossible we should do no more than lease the power plant over the term of years provided. I believe that the various parties interested, the municipalities, the private power companies, etc., could be brought together on the first proposition when the Secretary of the Interior has an authority to do so.

Another question that seems to me could be widened out a little is that provision would need to be made for the use of some of the power by the states of Arizona and Nevada and this might be done by those states entering some undertakings with the people who might erect the power equipment in the meantime.

Another question which has been raised is whether or not it is desirable to extend irrigation area of the United States at the present time in view of the already over developed condition of agriculture. It seems to me the answer to this is that it will take ten years to complete this dam and these canals and that it will require ten years after that to bring any very substantial area into high productivity. In these twenty years the population of the United States will have increased by 30,000,000 people and we will need this production by that time.
If it were possible to put a million acres into cultivation by a magic wand tomorrow I would refuse to use that wand. We have here a magic wand which will bring the million acres and thousands of happy homes into being only some 20 years hence when they will be needed, and unless action is taken now we will not have them in 20 years.

All together I believe that in the three compromise solutions we have propounded— that the assurance to the northern states of the unreserved ratification of the six-state compact by California as a condition of the effectiveness of the Act, and the limitation of accrued water rights to states who have made themselves subject to the compact— we will have settled the larger part of the interstate water rights conflict. In the erection of a high dam at Boulder Canyon we will have found solution that is sound from an engineering and economic point of view, for the next generation or two. At the same time we will not have introduced a development in the river that conflicts with its systematic and sound development in future generations.

In proposing that the Federal Government should issue bonds, the service of amortization and interest upon which should be assured from the sale of power and water to cover the entire cost of these works, we have found a compromise solution that meets the financial problem involved and allays the conflict between many interests and imposes no taxes upon the public.
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All together I feel that the solutions that we have proposed solve 90 per cent of those dozens of conflicts which have confounded and so long delayed this urgent development. I am in hopes that Arizona may see her way to join in the great step of national progress which means so much to her own citizens as well as to those of the Southwest and thus remove the last vistage of conflict over this question.