AUTHORIZING THE APPROPRIATION OF MONEY TO BE AVAILABLE FOR USE IN ASSISTING THE CONSTRUCTION OF THE TRI-DAM PROJECT ON THE STANISLAUS RIVER IN CALIFORNIA, AND PROVIDING FOR THE REPAYMENT OF ANY OF SUCH MONEY SO USED, AFTER THE AMORTIZATION OF THE BONDS LOCALLY USED FOR SUCH PROJECT

JULY 23, 1954.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. MILLER of Nebraska, from the Committee on Interior and Insular Affairs, submitted the following

REPORT
[To accompany H. J. Res. 330]

The Committee on Interior and Insular Affairs, to whom was referred the joint resolution (H. J. Res. 330) authorizing the appropriation of money to be available for use in assisting the construction of the Tri-Dam project on the Stanislaus River in California, and providing for the repayment of any of such money so used, after the amortization of the bonds locally used for such project, having considered the same, report favorably thereon with amendments and recommend that the joint resolution, as amended, do pass.

The amendments are as follows:

Strike all after the resolving clause and insert in lieu thereof the following:

That there is authorized to be appropriated not more than $10,370,000 which shall be available for:

(1) a loan without interest by the United States, acting through the Secretary of the Interior, to the Oakdale and South San Joaquin Irrigation Districts, California, jointly, of a sum equal to that portion of the estimated cost of constructing the Tri-Dam Project which the said Secretary determines to be equitably allocable to irrigation; and

(2) a grant by the United States, acting through the Secretary of the Interior, to said Districts jointly of a sum equal to that portion of the estimated cost of constructing the Tri-Dam Project which the Secretary of the Army determines to be equitably allocable to flood control.

The sum of the loan and the grant shall in no event exceed $10,370,000; Provided, That in the event the loan is made before the grant and that the sum of the two exceeds the sum of $10,370,000, the amount of the loan may be reduced by the amount of the excess. The findings of the Secretary of the Army and the Secretary of the Interior with respect to any matters which are committed to them by this Act shall be final and conclusive.
APPROPRIATION FOR USE IN ASSISTING THE TRI-DAM PROJECT

Sec. 2 (a). Prior to making the loan authorized by section 1 of this Act, the Secretary of the Interior shall require the Oakdale and South San Joaquin Irrigation Districts to enter into a joint contract which shall provide—

(1) that the loan be solely disbursed to pay the costs required for the construction of the Tri-Dam Project to the extent such costs exceed the ability of the Districts to finance from Tri-Dam Project net power revenues otherwise than by the said loan;

(2) that the Districts shall sell the maximum amount of revenue bonds that can be sold to be amortized from Tri-Dam Project net power revenues not pledged to repayment of the loan authorized by this Act;

(3) for repayment of the loan from (a) all net revenues to the Districts derived from the use of water from the Tri-Dam Project, and the operation of the Melones powerhouse beginning on June 16, 1977; (b) all net revenues to the Districts derived from the use of water from the Tri-Dam Project in the operation of the Stanislaus powerhouse beginning on December 16, 1985; and (c) all such net revenues derived from the operation of both of these powerplants and of the powerplants which are included within the Tri-Dam Project on and after the forty-ninth anniversary of the first production of power for commercial use by the Donnels, Beardsley, or Tulloch powerplants of the Tri-Dam Project; and

(4) that all balances of any loan made hereunder remaining unpaid after application of the net power revenues allocated to repayment of said loan by the provisions of subsection (a) (3) of section 2 of this Act shall become due and paid as aforesaid on the fiftieth anniversary of the first production of power for commercial use by the Donnels, Beardsley, or Tulloch plants of the Tri-Dam Project as hereinafter defined.

There shall be included in the contract such other provisions as the Secretary of the Interior finds pertinent to reasonable assurance of full repayment of the loan as aforesaid.

In the event that either or both of the outstanding licenses issued by the Federal Power Commission under project numbers 708 and 1315 are not renewed at the expiration thereof or are renewed for a period ending prior to January 1, 2004, or under conditions which reduce the earnings derived by the Districts in connection with the Melones and Stanislaus powerplants as aforesaid, the period for repayment of the loan by the Oakdale and South San Joaquin Irrigation Districts may be extended by the Secretary for such number of years as he deems required by reason of the loss or reduction in earnings so occasioned.

(b) Prior to making the loan authorized by Section 1 of this Act, the Secretary of the Army and the Oakdale and South San Joaquin Irrigation Districts shall enter into a joint contract designed to assure operation of the Tri-Dam Project as will produce the benefits upon which the flood-control authority and the grant are predicated.

(c) Any contract entered into under this Act prior to the appropriation of the full amount of funds referred to shall require that the obligation of the United States thereunder is contingent upon the making of appropriations therefor.

(d) The authority to make the loan and grant contained in this Act and the availability of any appropriations made to carry out its provisions shall expire on the tenth day of the month following the date of enactment of this Act.

Sec. 3. As used in this Act, the term “Tri-Dam Project” means the multipurpose irrigation and hydroelectric project on the Stanislaus River in California jointly undertaken by the Oakdale and the South San Joaquin Irrigation Districts and presently licensed by the Federal Power Commission under project numbers 2005 and 2007.

Strike the preamble.

Amend the title so as to read:

Joint resolution to provide financial assistance to the Oakdale and South San Joaquin Irrigation Districts, California, in the construction of the Tri-Dam Project

PURPOSE OF THE JOINT RESOLUTION

This joint resolution authorizes a loan to the Oakdale and the South San Joaquin Irrigation Districts, agencies of the State of California, equal to the portion of the Tri-Dam project cost that is properly allocable to irrigation. The bill also authorizes a grant for flood-control benefits in such an amount, if any, as may hereafter be determined by the Secretary of the Army.

The purpose of the loan is to set up a reserve fund to be used, if needed, to assist in constructing the Tri-Dam project. The bill provides that the constructing districts must finance this project to the greatest extent possible from the sale of bonds, and disbursements are to be made from the Government loan only to the extent required after other funds are exhausted. The flood-control benefits and construction costs are not yet determined; consequently, the amount of the grant have not yet been determined.

They will be minor, if any. The bill provides that no grant for flood-control benefits shall be made until a contract is entered into with the Secretary of the Army satisfactory to him.

The sum of the loan and the grant shall not exceed $10,370,000.

THE DEVELOPING AGENCIES

The Tri-Dam project is a joint undertaking of the Oakdale Irrigation District and South San Joaquin Irrigation District, public agencies of the State of California, located in the counties of Stanislaus and San Joaquin. They contain 143,457 acres, of which 121,000 acres are presently irrigated and have a population of approximately 30,000 people. These districts are intensively farmed but need additional water to meet their full requirements.

DESCRIPTION OF THE PROJECT

The Tri-Dam project would be constructed on the Middle Fork and main stream of the Stanislaus River in California. The project is designed to provide a supplemental water supply for irrigation use within the boundaries of the Oakdale and South San Joaquin Irrigation Districts, and all water would be passed through a series of 2 existing and 3 proposed powerplants upstream from the point of diversion for irrigation. The project works consist of (1) Donnels Dam, with a gross reservoir capacity of 64,500 acre-feet; (2) Donnels tunnel, 7.2 miles long; (3) Donnels powerplant, with a capacity of 54,000 kilowatts; (4) Beardsley Dam, with a gross reservoir capacity of 91,500 acre-feet; (5) Beardsley powerplant, with a capacity of 10,000 kilowatts; (6) Beardsley afterbay dam, with a net reservoir capacity of 250 acre-feet; (7) Tulloch Dam, with a gross reservoir capacity of 88,400 acre-feet; (8) Tulloch powerplant, with a capacity of 12,000 kilowatts; and (9) alterations to existing Goodwin diversion dam to provide a net storage capacity of 600 acre-feet.

The project will provide a gross storage of 230,400 acre-feet of water to supplement the existing inadequate irrigation supply of the Oakdale and South San Joaquin Irrigation Districts. The powerplants will have a total installed capacity of 81,000 kilowatts. The water released from the Donnels and Beardsley Reservoirs benefits the existing Stanislaus and Melones powerplants owned by the Pacific Gas & Electric Co. The company will pay to the districts the value of the headwater benefits. The estimated average annual energy production by the 3 district powerplants and the increase in energy from the Stanislaus and Melones powerplants amounts to 475,000,000 kilowatt hours. The districts would own, operate, and maintain all features of the Tri-Dam project and sell all power produced to the Pacific Gas & Electric Co. under terms of a contract dated July 9, 1952.
The two districts are over 85 percent developed. Of the 143,457 acres in the districts 121,000 are under irrigation. The undeveloped area is in numerous small holdings. The average size farm is 294 acres. Considering the fact that most of the larger farms are held by families and in multiple ownership, there are few individual ownerships in excess of 160 acres. From the standpoint of number of holdings, over 97 percent are under 160 acres.

The supplemental water that will be provided by the Tri-Dam project will be commingled with the existing water supply (both natural flow of the river and existing storage) developed by the districts and paid for at a cost of about $13 million. The additional water supplied by the Tri-Dam project is small compared with the existing supply. In addition, most of the larger ownerships have installed private pumping systems to supplement their water supply.

The 3 hydroelectric plants to be constructed as a part of the project will be owned and operated by the 2 districts. Representatives of the districts testified that the contract to sell this power, during the financing period, to the Pacific Gas & Electric Co. was entered into only after extensive negotiations with all other possible customers including the Bureau of Reclamation, the Sacramento Municipal Utility District, the city of Los Angeles Bureau of Light & Power, Modesto Irrigation District, and Turlock Irrigation District. In addition, engineering studies were made to determine whether or not it was feasible for the districts to distribute the power. The cost of transmission of the power and the fact that the flow of power would be seasonal, caused each of the potential customers mentioned to advise that they could not contract to purchase the power and likewise made district retail distribution financially impossible.

The project is completely engineered and ready for construction. The districts have been issued all necessary water permits by the State of California for the operation of the project. The Federal Power Commission has issued licenses to the districts to construct and operate all units of the project that would come within its jurisdiction. The districts have expended in excess of $1,250,000 to date of their own funds to finance the planning of the project. The districts received bids for construction of the project in the spring of 1953 but were forced to reject all bids due to a rise in interest rates that reduced the amount of bonds which could be sold to less than the estimated cost of the project.

**PROJECT FINANCING**

The estimated cost of the project based on actual bids received in 1953 is $47,647,000. The districts can issue and sell approximately $46,500,000 of revenue bonds, assuming an interest rate of 3½ percent and 50-year-term bonds secured by 47 years of revenue. In that event only $1,147,000 of the proposed loan would be disbursed. If the interest rate is greater than 3½ percent, a proportionately greater part of the loan will be disbursed. In any event, the balance of the $10,370,000 would constitute a reserve against contingencies during the construction period. This reserve is essential to make the sale of private bonds possible.

**REVENUES AVAILABLE FOR FINANCING**

The districts have entered into a contract with the Pacific Gas & Electric Co. for payment for all electrical energy to be derived from the project. This contract will produce revenues as follows:

(a) For maintenance and operation
   The sum of $302,000 per year multiplied by a labor index set up in the contract.

(b) For amortization of bonds
   The sum of $2,204,000 per year to and including December 15, 1977, $2,068,000 per year thereafter to and including December 15, 1985, and $1,464,000 per year thereafter to the end of the contract.

(c) For repayment of Federal loan
   All revenue to be derived from the headwater benefits to the Melones powerplant after June 15, 1977, and from the headwater benefits to the Stanislaus powerplant after December 15, 1985. Under the existing power sale contract the payments would amount to $136,000 per year from the Melones plant and $604,000 per year from the Stanislaus plant which would be sufficient to repay the entire $10,370,000 loan by the end of the year 1998.

   The Melones and Stanislaus powerplants are now owned and operated by the Pacific Gas & Electric Co. under existing Federal Power Commission licenses. The licenses are subject to renewal or extension on the respective dates above mentioned. Should the licenses be issued to some other operator, the districts' Tri-Dam project would provide headwater benefits for which, under existing law, the districts would be entitled to compensation which is allocated to repayment of the Government loan.

   In addition to these revenues, all power revenues of the project, with the exception of that required for maintenance and operation, will be available to retire any unpaid balance of the loan of the United States after the 49th anniversary of the first production of power for commercial use by the project.

**HISTORY OF THE LEGISLATION**

In reporting on House Joint Resolution 330 the Department of the Interior suggested substitute language. Subsequently, representatives of the two irrigation districts working with officials of the Department agreed upon several changes in the Department's suggested language. The author of the resolution requested the committee to consider this latter version of the legislation; i.e., the version finally agreed upon by the department and the districts. Therefore, while the language of the joint resolution ordered reported by the committee is completely new, it is the language which the committee considered. The Department has advised that there is no objection to the language of the joint resolution as ordered reported.

The report of the Department of the Interior on House Joint Resolution 330 follows:

**DEPARTMENT OF THE INTERIOR**

**OFFICE OF THE SECRETARY**

**WASHINGTON, D. C., APRIL 6, 1954.**

**HON. A. L. MILLER,**

**Chairman, Committee on Interior and Insular Affairs,**

**House of Representatives, Washington, D. C.**

**MY DEAR MR. MILLER: You have requested a report from this Department on House Joint Resolution 330, a measure which, if enacted, would authorize the appropriation of funds to be made available to the Oakdale and South San Joaquin Irrigation Districts, California, to aid them in the construction of their Tri-Dam project.**
This measure, though confined to a single project, represents an interesting facet of a problem with which the administration has been studying for quite some time—the problem, that is, of bringing together the resources of local agencies in the development of multiple-purpose projects. Certain of which it is our understanding that the Tri-Dam project, as it has been outlined to this Department by its sponsors, consists of three multiple-purpose structures at Tulloch sites on the Stanislaus River. These structures would serve the purpose of irrigation and flood control.

The estimated cost of constructing the project, according to the information supplied to the irrigation districts, is $47,647,000, of which approximately $25,623,000 over the life of the bonds will be secured privately to finance the project. The net revenues which the district will receive under the terms of the contract, is estimated at $43,100,000, of which approximately $10,370,000 is required for flood control.

APPROPRIATION FOR USE IN ASSISTING THE TRI-DAM PROJECT

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The Secretary of the Interior, in his report on the Tri-Dam project, has advised the Congress that there would be no objection to the submission of this report to your committee.

Sincerely yours,

Douglas McKay,
Secretary of the Interior.

A BILL to provide financial assistance to the Oakdale and South San Joaquin irrigation districts, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated not more than $10,370,000 which shall be available for—

1. A loan by the Secretary of the Interior, to the Oakdale and South San Joaquin irrigation districts, California, jointly, of a sum equal to that portion of the estimated cost of constructing the Tri-Dam project which the said Secretary determines (a) to be equitably allocable to irrigation or (b) to be beyond the ability of the said districts to finance from their local resources, whichever is the lesser amount.

2. A grant by the United States, acting through the Secretary of the Interior, to said districts jointly of a sum equal to that portion of the estimated cost of constructing the Tri-Dam project which the Secretary of the Army determines to be equitably allocable to flood control.

The sum of the loan and the grant shall not in any event exceed $10,370,000: Provided, That in the event the loan is made before the grant and that the sum of the two exceed $10,370,000, the excess shall be applied against the amount of the excess. The findings of the Secretary of the Army and the Secretary of the Interior with respect to any matters which are committed to them by this Act shall be final and conclusive.

Sec. 2. Prior to making the loan authorized by section 1 of this Act, the Secretary of the Interior shall require the Oakdale and South San Joaquin irrigation districts to enter into a joint contract which shall provide for repayment of that loan from (1) all revenues derived from the district's share of the operation of the Melones and Stanislaus powerplants, (2) all revenues derived from the operation of the Melones powerplant by or through facilities of the districts beginning on June 16, 1977, (3) all revenues derived from the operation of the Stanislaus powerplant by or through facilities of the districts beginning on December 16, 1965, and (4) all revenues derived from the operation of the powerplants which are included within the Tri-Dam project on and after the forty-ninth anniversary of the first production of power for commercial use by the Donnell's, Beardsley, or Tulelake powerplants of the Tri-Dam project. Excess as otherwise provided hereinafter, all balances of any loan made hereunder remaining unpaid after application of net power revenues as aforesaid shall become payable on the date of completion of the Tri-Dam project and shall be repaid prior to the fiftieth anniversary of such completion. There shall be included in the contract such other provisions as the Secretary of the Interior finds pertinent to reasonable assurance of full repayment of the loan as soon as practicable.

In the event that either or both of the outstanding licenses issued by the Federal Power Commission under project numbers 708 and 1318 are not renewed at the expiration thereof or are renewed for a period ending prior to January 1, 2004, under conditions which reduce the earnings derived by the districts in connection with the Melones and Stanislaus powerplants as aforesaid, the period for repayment of the loan by the Oakdale and the South San Joaquin irrigation districts may be extended by the Secretary for such number of years as he finds is required by reason of the loss or reduction in earnings so occasioned.

APPROPRIATION FOR USE IN ASSISTING THE TRI-DAM PROJECT

In the event that either or both of the outstanding licenses issued by the Federal Power Commission under project numbers 708 and 1318 are not renewed at the expiration thereof or are renewed for a period ending prior to January 1, 2004, under conditions which reduce the earnings derived by the districts in connection with the Melones and Stanislaus powerplants as aforesaid, the period for repayment of the loan by the Oakdale and the South San Joaquin irrigation districts may be extended by the Secretary for such number of years as he finds is required by reason of the loss or reduction in earnings so occasioned.

We believe that this proposal would be a desirable application of the partnership concept of resource development. This Department would not, therefore, recommend that the joint resolution subject to its being amended to cover the following several points:

1. We recommend that, since this Department would be the administrator of the loan and grant, the legislation provide for a permissive, rather than a mandatory, provision, as a maximum amount covering both the loan and the grant and that the project cannot be raised through ordinary financial channels.

2. The legislation should require that negotiations for return of the loan be carried out in accordance with the rules and regulations prescribed by the Secretary of the Interior.

3. Instead of providing for repayment of the loan after all bonds issued by such districts have been fully amortized

4. Instead of providing for repayment of the loan after all bonds issued by such districts have been fully amortized

APPROPRIATION FOR USE IN ASSISTING THE TRI-DAM PROJECT

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(b) Prior to making the grant authorized by section 1 of this Act, the Secretary of the Army and the Oakdale and South San Joaquin irrigation districts shall have entered into a joint contract designed to assure such operation of the Tri-Dam project as will produce the benefits upon which the flood-control allocation and the grant are predicated.

c) Any contract entered into under this Act prior to the appropriation of the full amount of funds required therefor shall recite that the obligation of the United States thereunder is contingent upon the making of appropriations therefor.

d) The authority to make the loan and grant contained in this Act and the availability of any appropriations made to carry out its provisions shall expire on the tenth anniversary of the date of enactment of this Act.

Sec. 3. As used in this Act, the term "Tri-Dam project" means the multiple-purpose irrigation and hydroelectric project on the Stanislaus river in California jointly undertaken by the Oakdale and the South San Joaquin irrigation districts and presently licensed by the Federal Power Commission under project numbers 2005 and 2007.

The Interior and Insular Affairs Committee recommends that House Joint Resolution 330, as amended, be enacted.

MINORITY VIEWS

While agreeing wholeheartedly with the alleged objectives of House Joint Resolution 330; that is, insuring the construction of reservoir facilities to make possible the delivery of needed supplemental irrigation waters to the South San Joaquin and Oakdale Irrigation Districts, I find myself in disagreement with the legislation by which it is proposed to accomplish such objective. I am sympathetic with the apparent needs of the district for supplemental irrigation water, as borne out by the testimony presented to our committee. However, I am somewhat disturbed by the fact that during the committee hearings on House Joint Resolution 330 no opposition to the legislation was presented, yet since the hearings I personally have been the recipient of correspondence to the effect that there is opposition present in the districts concerned, as well as in the State generally.

This bill authorizes an interest-free loan by the Federal Government to the two irrigation districts for use in aiding construction of a power project which would have some incidental irrigation benefits. The sum to be loaned will range from $1,400,000 to $10,370,000.

If the loan to be authorized by House Joint Resolution 330 is a good one, then the private power company which is to benefit by the construction of the facilities should extend itself to all possible limits, which I believe it has not done to date, to see that the construction is accomplished. This might make necessary the continued sale of the power to such private utility for a somewhat longer period than that now contemplated. Nothing, however, has been placed in the hearings to the effect that it would be impossible or, for that matter, impractical. If the project does not have sufficient probable benefits to make it a good financial undertaking for the interests primarily concerned with such benefits, then it is doubtful if there are sufficient values inherent in the project to assume that it is equitable and feasible to propose participation by the Federal Government, without at the same time placing the Federal Government in a position to service effectively its loan and protect the interests of the general public which furnished the money.

Without, for the moment, going into the benefits of the program spelled out in House Joint Resolution 330, I should like to say that this resolution and the proposals which it contains involve a material change in fundamental reclamation policy under which we have operated for over half a century. It may well be that this change in reclamation policy is desirable. It may well be that this proposal can be defended as a suitable pattern for future development, but taking that assumption only emphasizes the fact that such change should be made only in consequence of a revision of the basic law and the establishment of a new general policy, the benefit of which would accrue to all who could qualify.

One great hallmark of reclamation development since its inception under the hand of the first Roosevelt, has been its emphasis upon development of land which otherwise would be idle or virtually un-
productive. Another great hallmark was that, in the public interest, this was to inure to the benefit of the maximum number of individual enterprises or farmers and not to speculators, large landowners, or those with only a passing interest in construction values. Of major interest has been the principle that the resources so developed should not add to the fruits already possessed by powerful groups or monopolies. This principle must of necessity apply to public monopolies licensed as private utilities. It is axiomatic that what is developed with general funds of the Government must accrue to the general interest.

Now then, what is the application of this background to the resolution at hand? It gets to the fundamentals of the bill and to the fundamental point is to be the reclamation policy, for what is approved even if by indirect means, in this bill will be cited as precedence for future action.

This bill proposes that the Federal Government, with its great financial power, shall step in to insure the salability of a State agency’s bonds without attaching to the use of that cosigner privilege any of the normal requirements of the Government as either a loan principal or as a cosigner. Here, the Government is to take a highly junior status to the private bondholder and has, in fact, no security other than the assumption that a private power company will be in business and able to pay its obligations many years in the future. This is not, I will admit, an unreasonable assumption at a generality, but hardly strong enough to form the guaranty to the Government for its loan-agency functions.

Nor is this loose banking procedure the only departure from old policy. By its very omission, by its silence, this proposal departs from the time-honored requirement that power produced in conjunction with projects financed or aided by Federal funds must be sold in a preference pattern, with public agencies and nonprofit agencies first in line. The very testimony in support of this bill was that it was quite impossible for this requirement to be met. The only way, the testimony ran, that the rather uncertain power produced by the units of the projects made possible by this resolution could be used was to tie it into a great system having ample power supplies of its own, and an assured demand of its own, so that it would be able to absorb the cost of this power and fit it into a grid. The Department of the Interior, carefully avoiding its own history, announced that this peculiar arrangement is in accord with the recently announced partnership concept of resource development. Partnership cannot replace public interest as the justification of reclamation construction.

It has been fundamental in reclamation development that the benefits to come from public action and public funds were to accrue to the maximum number of citizens. This gave rise in the first few sections of the Reclamation Act, to the historic 160-acre limitation provision which has served so well to spread the benefits of the 7 million acres so or of land which has received reclamation water. This principle, according to the statements of the sponsors of House Joint Resolution 330, is not to apply in this case because, stated simply, it would “kill” the project.

I should not wish it to appear that it is my thought that the original concept of the Oakdale Irrigation District and the South San Joaquin Irrigation District, was without merit. On the contrary, the gentlemen who conceived this program are to be highly complimented for their ability and for their vision and for their persuasive powers. I only regret that it falls short of present reclamation law and policy and therefore short of what I am able to support.

I am in complete sympathy with these two districts and the farmers. I am in complete sympathy with these two districts and the farmers I am in complete sympathy with these two districts and the farmers I am in complete sympathy with these two districts and the farmers I am in complete sympathy with these two districts and the farmers.

1. House Joint Resolution 330 represents a fundamental departure from historic reclamation policy. Granted that such departure is somewhat minor because of the smallness of the project involved, it is nonetheless precedent, and no one can predict the proposals that will follow if this back-door amendatory process is established.

2. In no case of the lending of Federal funds, or in a loan guaranty by the Federal Government, do I know of the Government consenting to so junior a status as to its claim in this instance in the event of default. Actually, its helping hand is needed merely to sell the private bonds at good interest.

3. In no case of an irrigation or reclamation project, including those of the Farmers’ Home Administration, do I know of so little Federal supervision or control following its money. In this instance, the Government is in fact to do nothing more than salvage a private arrangement made infeasible by its own hard-money policy.

4. The power to be produced and the water head to be regulated is, by the testimony of the supporters, so erratic that it would not be developed by the power company involved and cannot be developed by the public district alone. Only by the intertwining of the non-taxpaying irrigation district and the mammoth power company can this proposal be made possible at all.

5. The beneficiaries of the irrigation development (holdover storage) are able to pay no part of the cost of construction. I have no objection
to this nor to the repayment of irrigation benefits from those power revenues in excess of power construction costs, but in this case it is plain that rather than power aiding irrigation as originally planned, the interest-free aspect of irrigation funds is now necessary to make the power feasible enough to carry this project.

6. Lastly, I must object on the grounds that the Federal funds involved are to be spent, not for the general welfare, but for obvious and specific private gain. Gain to certain large landowners who object to any 160-acre limitation and who hoped to avoid it; gain to a private power company which would not itself develop the power; and finally, gain to those who, for a variety of reasons, wish to see the abrogation of the present law.

WAYNE N. ASPINALL,
Fourth District, Colorado.