WHAT TAXPAYERS OF EACH STATE WOULD PAY
FOR PROPOSED COLORADO RIVER PROJECT

A concealed subsidy of more than a billion dollars would be paid by the taxpayers of the United States if the Colorado River Storage Project bill is passed by Congress, Rep. Harry R. Sheppard said today.

"Each state's share of this new tax burden on the people is shown in the accompanying list," Rep. Sheppard stated. "The percentage which the taxpayers of each state would be forced to pay was determined by The Tax Foundation, a national organization with headquarters in New York City."

The project bill (H.R. 4449) recently passed out of the House Interior Committee by the close vote of 13 to 12. Hearings on it are scheduled before the Senate Interior Committee for June 28.

"In a report (Number 1774) nine members of the House Interior Committee who voted against the bill stated that the project includes a concealed subsidy from the Nation's taxpayers of over $1 billion to provide irrigation water for less than 370,000 acres of land," Rep. Sheppard said. "This is a gift of over $2,500 an acre irrigated or $370,000 for each of the 2,700 farms to be benefitted. The average value of the land fully developed is about $150 per acre."

Here is the amount the taxpayers of each state would pay:

more....
"In addition to the great financial burden this project would place on the Nation's taxpayers, there are many other strong reasons why the project should not be approved," Sheppard stated.

"For instance, as the mentioned report shows, the bill puts the Government directly into the power business. On other projects, such as Hoover Dam, Grand Coulee and TVA, power was sold to build the dams. Here, for the first time, the dam would be built solely to sell power. The biggest dams in the project would store no water for irrigation.

"The bill gives the Secretary of the Interior authority to build transmission lines all over the country.

"The bill would condemn the whole Rocky Mountain area to high-cost power for 75 years, just to subsidize 2700 farmers."
"Only 20 per cent of the project lands are in Class 1. The elevation is high, they have a short growing season, and in some parts there is frost every month of the year.

"The project would invade Dinosaur National Monument, breaking eighty years of conservation policy.

"The project is not self-liquidating, as claimed by the Reclamation Bureau. Plain arithmetic shows that it could not be. For example, simple interest alone, at 2½ per cent, on $1 billion of original investment is $25 million a year. Total net revenues from the project, as estimated by the Bureau, would average less than $25 million.

"Thus, the project could not pay simple interest on the investment, and could never retire its capital cost.

"The ultimate construction cost of the project would be at least $5 billion, with the result that the cost to the Nation's taxpayers would be at least five times as great as the billion dollars above mentioned, which is only for the first phase of the project."