MANN CREEK RECLAMATION PROJECT, IDAHO

HEARING

BEFORE THE

SUBCOMMITTEE ON IRRIGATION AND RECLAMATION

OF THE

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS UNITED STATES SENATE

EIGHTY-SEVENTH CONGRESS

SECOND SESSION

ON

S. 405

A BILL TO AUTHORIZE THE SECRETARY OF THE INTERIOR TO CONSTRUCT, OPERATE, AND MAINTAIN THE MANN CREEK FEDERAL RECLAMATION PROJECT, IDAHO, AND FOR OTHER PURPOSES

APRIL 5, 1962

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MANN CREEK RECLAMATION PROJECT, IDAHO

THURSDAY, APRIL 5, 1962

U.S. SENATE,
SUBCOMMITTEE ON IRRIGATION AND RECLAMATION
OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The committee met, pursuant to call, at 10 a.m., in room 3110, New Senate Office Building, Senator Clinton P. Anderson (chairman of the committee) presiding.

Present: Senators Anderson and Burdick.

Also present: Roy Whitacre, professional staff member; Jerry Verkler, chief clerk, and Stewart French, chief counsel.

The CHAIRMAN. The meeting of the Subcommittee on Irrigation and Reclamation will come to order.

S. 405, introduced by Senators Church and Dworshak, would authorize the construction of the $3,490,000 Mann Creek reclamation project near Weiser, Idaho. This is primarily a supplemental water project to furnish 4,465 acres of presently irrigated land and to furnish a full supply to about 595 acres of new land.

The plan calls for an allocation of costs of construction to irrigation, fish and wildlife, and recreation. Of the costs chargeable to irrigation, $1,014,000 will be repaid by the irrigator while the balance, $2,376,000, will be paid from Bonneville power revenues.

Favorable reports have been received from the executive agencies on this measure.

A copy of the bill and reports thereon will be placed in the record at this point.

(The exhibits follow:)

[S. 405, 87th Cong., 1st sess.]

A BILL To authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of providing irrigation water for approximately five thousand and one hundred acres, conserving and developing fish and wildlife, and providing recreational benefits, the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain the facilities of the Mann Creek Federal reclamation project, Idaho. The principal works of the project shall consist of a dam and reservoir, diversion facilities from the reservoir, and drainage facilities.

SEC. 2. The base period provided in subsection (d), section 9, of the Reclamation Project Act of 1939, as amended, for repayment of the construction cost properly chargeable to any block of lands and assigned to be repaid by irrigators may be extended to fifty years, exclusive of any development period, from the time water is first delivered to that block. Costs allocated to irrigation in excess

of the amount determined by the Secretary to be within the ability of the irrigators to repay within said fifty-year period shall be returned to the reclamation fund from such net revenues derived by the Secretary from the disposition of power marketed through the Bonneville Power Administration as are over and above those required to meet any other present capital costs assigned for repayment from such revenues.

SEC. 3. (a) The Secretary of the Interior is authorized, in connection with the Mann Creek project, to construct basic public recreation facilities but such facilities (other than those necessary to protect the project works and the visiting public) shall not be constructed until an agreement has been executed by the State of Idaho, an agency or political subdivision thereof, or an appropriate local agency or organization to assume the management and operation of the facilities. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws.

(b) The Secretary may make such reasonable provision in the works authorized by this Act as he finds to be required for the conservation and development of fish and wildlife in accordance with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C. 661 and the following), and the portion of the construction costs allocated to these purposes, together with an appropriate share of the operation, maintenance and replacement costs therefor, shall be nonreimbursable and nonreturnable. Before the works are transferred to an irrigation water users' organization for care, operation, and maintenance, the organization shall have agreed to operate them in such fashion, satisfactory to the Secretary, as to achieve the benefits to fish and wildlife on which the allocation of costs therefor is predicated, and to return the works to the United States for care, operation, and maintenance in the event of failure to comply with his requirements to achieve such benefits.

SEC. 4. There are hereby authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated such sums as will be necessary to carry out the purposes of this Act.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., January 26, 1962.

Hon. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR ANDERSON: This responds to your request for the views of this Department on S. 405, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes.

We recommend the enactment of this bill if it is amended as hereinafter suggested.

The Mann Creek project would provide water for irrigation to serve an area of 5,060 acres of irrigable land along both Mann and Monroe Creeks, tributaries to the Weiser River, a few miles from the town of Weiser in western Idaho. Of the total acreage, 4,270 acres are within the boundaries of the Mann Creek Irrigation District, while the remaining 790 acres are in the Monroe Creek Irrigation District. Primarily, the project would provide a supplemental water supply to 4,465 acres. In addition a full water supply would be made available to 595 acres which are not now irrigated and which are dispersed throughout the Mann Creek Irrigation District.

The principal works recommended are the Spangler Dam and Reservoir on Mann Creek, diversion facilities from the reservoir to the existing Joslin ditch, and drainage facilities for the Mann Creek area of the project. The drainage facilities would be constructed by the irrigators after the project is placed in operation and the need for such facilities becomes evident. The existing distribution systems would be used and improvements and extensions would be the responsibility of the water users. Spangler Dam would be a rolled earthfill structure creating a reservoir of 13,000 acre-feet capacity of which 11,000 acre-feet would be for irrigation and 2,000 acre-feet for dead storage.

The total estimated cost of the project facilities based on 1961 prices is $3,490,000, as compared with the estimate of $3,221,000, based on October 1957 prices, presented in our planning report (H. Doc. 444, 86th Cong.). Of this amount, $3,390,000 is tentatively allocated to irrigation, $65,000 to fish and

wildlife, and $35,000, being the specific cost of minimum basic recreation facilities including purchase of land, is assigned to recreation on a nonreimbursable basis.

Farm budget studies demonstrate that the irrigators probably could meet their annual operating costs and repay a total of $1,014,000 in a 50-year period. It is recommended that the remaining reimbursable cost, $2,376,000, be repaid from revenues derived from the disposition of power marketed through the Bonneville Power Administration. These revenues accumulate from individual projects within the Bonneville Power Administration system only after full repayment with interest of the commercial power investment in those projects. Studies demonstrate that the $2,376,000 in required aid from power revenues could be made available from the Bonneville Power Administration system during the 50-year Mann Creek project payout period.

To clarify the language on use of Bonneville Power Administration revenues, we recommend that the last sentence of section 2 be deleted and that there be inserted in its place the following:

"Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay within the repayment period or periods herein specified, shall be returned to the reclamation fund within such period or periods from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Bonneville Power Administration."

In addition to the irrigation works, provisions for conservation and development of fish and wildlife and for basic recreation facilities are proposed. A fishtrap would be built on Mann Creek near its confluence with Weiser River for collection of anadromous fish for transportation around the dam. The outlet works of the dam would be screened to prevent the loss of fish during periods of flow. The cost of these facilities would be nonreimbursable and nonreturnable.

Basic recreation facilities would be authorized by this bill, with the Secretary to arrange for the operation and maintenance of the same by appropriate State or local agencies or organizations. The cost of constructing these facilities also would be nonreimburable and nonreturnable.

In order to clarify the terms of the bill in connection with recreation development, we suggest that the bill be amended by revising section 3(a) to read as follows:

"SEC. 3(a). The Secretary of the Interior is authorized, in connection with the Mann Creek project, to construct minimum basic public recreation facilities, and to acquire such lands as may be necessary for that purpose, substantially in accordance with the plan in the report of the Secretary of the Interior, but such facilities (other than those necessary to protect the project works and the visiting public) shall not be constructed until an agreement has been executed by the State of Idaho, an agency or political subdivision thereof, or an appropriate local agency or organization to assume the management and operation of the facilities. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws."

The total annual operating costs are estimated at $10,700 which are allocated to irrigation, fish and wildlife, and recreation in the respective amounts of $7,600, $1,700, and $1,400. The fish and wildlife allocation is considered nonreimbursable, and the non-Federal agency which would operate and maintain the recreation facilities would meet the annual cost for those facilities.

To eliminate the necessity for an annual appropriation of $1,700 for the fish and wildlife operating cost, the irrigators would meet this cost. This would amount to a total of $85,000 over the repayment period and would justify a downward adjustment in the irrigation cost to be repaid by the water users. Thus, over a 50-year period the water users' payments in addition to irrigation, operation and maintenance costs would still total $1,014,000; however, this amount would now include $85,000 for fish and wildlife operating costs and $928,500 for repayment of irrigation capital costs. The financial assistance required from the Bonneville power system would remain unchanged.

This adjustment in the annual repayment would be subject to consummation of a written agreement between the Department of the Interior and the Mann Creek Irrigation District under which the district would be required to operate and maintain these facilities during the repayment period in a manner satisfactory to the Secretary of the Interior.

The project is economically justified with total benefit-cost ratio of 1.52 to 1 based on a 100-year period of analysis. If direct benefits only are considered for a 50-year period of analysis, the ratio is 0.72 to 1. However, recent studies of

the project using recently updated procedures indicate that the direct benefit-cost ratio over a 50-year period of analysis would be 1.1 to 1.

A statement of the information called for by Public Law 801, 84th Congress, is enclosed.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

KENNETH HOLUM,
Assistant Secretary of the Interior.

Estimated additional man-years of civilian employment and expenditures for the first 5 years of proposed new or expanded programs

	Year of construction				
	First	Second	Third	Fourth	Fifth
Estimated additional man-years of civilian employment: [1]					
Substantive (program):					
Engineering aids	3	5	5	2	
Engineers	2	4	4	3	
Inspectors		3	3	2	
Other		2	2	1	
Total, substantive	5	14	14	8	
Total, estimated additional man-years of civilian employment [1]	5	14	14	8	
Estimated additional expenditures:					
Personal services	$20,000	$84,000	$88,000	$52,000	
All other		826,000	1,312,000	918,000	
Total, estimated additional expenditures	20,000	910,000	1,400,000	970,000	

[1] No additional personnel would be required as completion of projects now under construction would coincide with initiation of construction of this project.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., January 22, 1962.

Hon. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your letter of January 17, 1961, requesting the views of the Bureau of the Budget on S. 405, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Mann Creek Federal reclamation project, Idaho, and for other purposes.

The purpose of this bill is clearly stated in its title.

The project report of the Department of the Interior on the Mann Creek project tentatively allocates costs to fish and wildlife in excess of the specific costs of fish and wildlife facilities. We would expect that, prior to a request for funds to initiate work on the Mann Creek project, the costs of the project would be reallocated in accordance with evaluation standards for water resource projects to be established under this administration.

Accordingly, the Bureau of the Budget would have no objection to the enactment of S. 405.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

The CHAIRMAN. The Chair recognizes Senator Church.

STATEMENT OF HON. FRANK CHURCH, A U.S. SENATOR FROM THE STATE OF IDAHO

Senator CHURCH. Thank you, Mr. Chairman.

Mr. Chairman, I am grateful to the subcommittee for this opportunity to urge favorable consideration of S. 405. As you know, during the 86th Congress I joined with Senator Dworshak in the introduction of an identical bill, S. 2704, to authorize construction of the Mann Creek reclamation project on the Weiser River in western Idaho. We have again joined forces for this project.

The Mann Creek project has received the support of the Bureau of the Budget; and the Department of the Interior has recommended its enactment. A companion bill, H.R. 529, has been approved by the House Interior Committee and reported to the House Calendar.

Briefly, the proposed Mann Creek project is designed to serve three ends: irrigation, wildlife, and recreation. It would serve an area of 5,060 acres of land on both Mann and Monroe Creeks, tributaries of the Weiser River. These comprise 4,465 acres in the area now semi-irrigated by diversion of the natural flow from the streams, and an additional 595 acres to be put under full irrigation. This will be made possible by the construction of Spangler Dam, a rolled earth structure creating a 13,000 acre-foot capacity reservoir.

The water storage would enhance the resident game fish population as a result of an anticipated reservoir fishery. Further, the reservoir would serve as a small waterfowl resting area.

The recreational benefits of this water storage include boating, fishing, camping, and possibly swimming. This aspect, although somewhat incidental, has a particular appeal to the residents of the surrounding townships, because the area is lacking in large water impoundments.

The price tag for this project is modest compared to the benefits that can be realized. Based on 1961 prices, the total cost estimated is $3,490,000. A breakdown according to the proposed ends to be served by the project shows that $3,390,000 is allocated to irrigation, $65,000 to fish and wildlife, and $35,000 to recreation.

The $100,000 for the fish and wildlife and recreation facilities would be nonreimbursable under terms of Federal law.

Farm budget studies indicate that the irrigators could, in a payout period of 50 years, repay $1,014,000 (or approximately one-third) of the irrigation costs, plus full payment of the annual operating costs of $7,600. In order to meet the remaining reimbursable cost, $2,376,000, S. 405 proposes that surplus power revenues from the Bonneville Power Administration be utilized. These revenues accumulate from individual projects within the Bonneville Power Administration only after full repayment with interest of the commercial power investment in those projects.

The hope for a favorable consideration of this bill has generated considerable local interest. Not only would the small farms in this area be enabled to produce better and more predictable yields, but full irrigation would allow greater crop diversity. I believe this alone justified enactment of S. 405, for economic studies show that in a 50-year period the direct cost-benefit ratio is 1.1 to 1. When all the ends which the project would serve are considered over its full life period (100 years), that ratio is 1.52 to 1. The construction of the

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Mann Creek project has ample economic justification, and I earnestly hope that the subcommittee will recommend enactment of the authorizing legislation.

Let me say, Mr. Chairman, that I personally have visited the site of this project, which seems ideal, and I know of the great local interest in having supplemental storage water provided that extends back over the years. The chief problem in the area has been insufficient water, which has prevented crop diversity and prevented the farmers who are living there from enjoying the full productivity of their lands.

I want also to say that this project would not make any significant contribution to our surpluses, since it would permit greater diversity and involves a very small increment of new land.

I would have one further thing to say, Mr. Chairman. There are two Idahoans here who are scheduled to testify. They are both farmers, Bob Stout and Herschel Jackson, and they can testify to the longstanding interest of the farmers of the area in the effort to solve their insufficient water supply problem. This is not a project that generated with the Bureau. It is a project that generated with the people.

Finally, Mr. Chairman, let me add this. We have seen over the years a tremendous investment of public money in the great dams on the Columbia River in Washington and in Oregon. Idaho taxpayers contributed their share to the initial outlay in the construction of these dams, and Idaho water furnishes a substantial part of the resource that turns these generators. These dams have added immense wealth to Oregon and to Washington, where the per capita income and the rate of economic growth has been significantly greater than in Idaho. About a fourth of the water turning these generators originates in my State. We are a part of the drainage basin that services these great Federal dams in the Columbia Basin. We feel strongly that on all the equities Idaho ought properly to share in the benefits that the river has furnished and the wealth that the river system has created. This bill relates to a very modest project, but it would assist Idaho in sharing to some small degree in the great benefits of this public investment, to which Idaho makes its proportionate contribution.

We feel, therefore, it is on the equities a good bill and a needed bill, and we hope the committee will favorably consider it.

The CHAIRMAN. Thank you.

Senator CHURCH. Thank you.

The CHAIRMAN. It is impossible for Senator Dworshak to be here at this time. His statement will be put in the record at this point.

(The statement referred to follows:)

STATEMENT OF HON. HENRY DWORSHAK, A U.S. SENATOR FROM THE STATE OF IDAHO

I wish to point out to the committee the benefits that will be derived to the residents of Idaho in the vicinity of Weiser if S. 405 is approved. The principal works are the Spangler Dam and Reservoir on Mann Creek and diversion facilities and reservoir to the existing Joslin ditch; and, of course, drainage facilities for the Mann Creek area of the project.

The total estimated cost of the project, based on 1961 figures, is $3,490,000. This dam and reservoir would have 13,000 acre-feet capacity and existing distribution systems would be utilized and approved at local levels. It would give supplemental irrigation to some 4,500 acres of land now irrigated partially, and

approximately 600 acres of new lands. There would be fish and wildlife benefits and some recreation facilities.

The committee should also be aware that very few, if any, surplus crops would be produced if this project is approved. Most of the crops produced would be used for feed. In fact, some of the lands now dry farmed under the fallow system and planted to wheat would be diverted to other crops which are not in surplus.

The best method of conserving our valuable water in the Western States is to conserve and build storage reservoirs as near the source as possible. In this regard this would be a very desirable project, and I believe that more of these on the tributaries to our larger rivers would not only be very helpful for irrigation, recreation, and other uses, but would also help to stabilize the flows of our larger streams such as the Weiser River, the Snake River, and, of course, the Columbia.

I am hopeful that the committee will give favorable consideration to this bill. You have heard the testimony from two of the members of the irrigation district, Mr. Jackson and Mr. Stout, and I am sure their statements at the grassroots level have been helpful to you and that you will report the bill out favorably.

The CHAIRMAN. Mr. Palmer.

STATEMENT OF WILLIAM I. PALMER, ASSISTANT COMMISSIONER, ACCOMPANIED BY DONALD R. BURNETT, CHIEF, DIVISION OF PROJECT DEVELOPMENT; AND HAROLD T. NELSON, REGIONAL DIRECTOR, BOISE, IDAHO, BUREAU OF RECLAMATION

Mr. PALMER. I would like to introduce Harold Nelson, regional director of region 1, Boise, Idaho, and Don Burnett, chief of our project development division.

Mr. Chairman, I have a very short statement that I would be glad to either read or submit, as you see fit.

The CHAIRMAN. We will just put it in the record, if you have no objection. I have read your statement and I have several questions to put to you now.

(The statement referred to follows:)

STATEMENT OF BUREAU OF RECLAMATION, MANN CREEK PROJECT, IDAHO

It is a pleasure to appear before this committee to recommend enactment of legislation to authorize the construction of the proposed Mann Creek project, Idaho.

A feasibility report on the Mann Creek project was transmitted to the Congress on June 30, 1960, and was printed as House Document 433, 86th Congress. By letter of January 22, 1962, to the chairman, the Department recommended enactment of S. 405, with two clarifying amendments.

The proposed Mann Creek project is primarily an irrigation project, consisting of 5,060 irrigable acres located in the Mann and Monroe Creek Valleys in western Idaho. Mann and Monroe Creeks flow into the Weiser River, which is a tributary of the Snake River. The principal project feature is the proposed Spangler Dam and Reservoir, of 13,000 acre-foot capacity, to regulate the flows of Mann Creek. Fish and wildlife and recreation functions would also be served by the project.

Of the total project acreage, 4,270 acres are located within the Mann Creek Irrigation District and 790 acres are within the Monroe Creek Irrigation District. Existing distribution systems of both irrigation districts are generally satisfactory for project purposes. Existing water rights now held by each district will not be affected.

The effect of the plan on fish and wildlife resources has been evaluated by the Fish and Wildlife Service, and provision for mitigation of losses are included in the plan.

As recommended by the National Park Service, the plan also calls for the construction of recreation facilities, such as picnic and parking areas and a boat ramp. A small acreage at the upper end of the reservoir would be acquired for recreational purposes since it contains the only shade in the general reservoir area.

Irrigated land producing livestock feed provides the economic base for the farms in the project area. Because of the shortages of late-season irrigation

water, only small acreages have been devoted to row crops and orchards. With a more plentiful water supply the economy of the area will be enhanced by more stabilized production of alfalfa and grain as livestock feed and by increases in row crops and orchard fruits.

The total estimated cost of the project, based on January 1961 prices, is $3,490,000. Total annual operating costs are estimated at $10,700.

The project costs allocated to irrigation are reimbursable without interest under reclamation law. The specific costs allocated to fish and wildlife would be nonreimbursable as a result of findings made pursuant to the Fish and Wildlife Coordination Act. The capital costs of the recreation lands and facilities are proposed to be nonreimbursable, and will not be incurred unless a responsible local agency agrees to operate and maintain those facilities without cost to the United States.

Farm budget studies demonstrate that the irrigators could pay the annual operating costs and, in a 50-year period, probably repay $1,013,500 of the $3,390,000 of the capital cost allocated to irrigation. The $2,376,500 in excess of the repayment ability of the irrigators would be returned to the reclamation fund within the 50-year repayment period from revenues derived by the Secretary of the Interior from the disposition of power marketed through the Bonneville Power Administration.

Economic justification studies in the report, which was prepared in 1959, show that the overall benefit-cost ratio for a 100-year period of analysis is 1.52 to 1 and the ratio for direct benefits only on a 50-year period is 0.72 to 1. Since that time, criteria for calculating direct irrigation benefits have been updated and now result in a direct benefit-cost ratio, on a 50-year period of analysis, of 1.11 to 1.

The existing Mann Creek and Monroe Creek Irrigation Districts are suitable organizations under reclamation law to contract for water service and repayment. Those districts have expressed their approval of the project plan and their willingness to assume their obligation.

The Department's legislative report to the chairman sets forth our recommendation that the pending bill be enacted, with amendments designed to clarify the language and intent with regard to financial assistance from Bonneville Power Administration revenues and with regard to fish and wildlife and recreation aspects of the project. As indicated in that letter, the Bureau of the Budget has advised that there is no objection to the submission of our report on the pending legislation to the Congress. We recommend that this committee take favorable action on the bill.

The CHAIRMAN. Let me ask you this. Is there any feeling that the money derived from these projects ought to come back into the Treasury, or should it all go into these other projects as they come along? I ask that question because we continue to have these projects like we had a few days ago, a project that involves the Missouri River Basin fund.

While the project itself is not feasible, if you can dip into the Missouri River Basin fund, then you make this project look feasible. Is somebody going to say this is the same sort of story, that this by itself could not possibly pay out, so you dip into the funds for several million dollars that might normally return to the Treasury?

Mr. PALMER. No, sir, Senator. This project is both financially feasible and economically feasible.

The CHAIRMAN. Only by taking three-fourths of the money and paying it from Bonneville power?

Mr. PALMER. This, of course, is not a new concept. This is the same basic philosophy that has characterized the development of the Columbia Basin project, for example, and the Colorado storage project. The participating projects of that project as authorized by Congress do participate in the power revenues made available by others. The same is true in the Missouri River Basin and other projects.

The CHAIRMAN. That is what I want you to testify to; that this is not different from the other types of participating projects that are scattered around this Nation under various basin programs.

Mr. PALMER. Senator, you are correct. This is a similar situation to those prevailing under past acts of Congress in that in this instance the irrigators will pay back approximately 30 percent of the cost, which makes it a good, feasible project in terms of other Bureau and other Department experience in this type of participating project.

For example, it is a far higher percentage than will be paid back by the water users on the Columbia Basin project.

The CHAIRMAN. Irrigators will pay back $1,013,500 of $3,490,000?

Mr. PALMER. Yes, sir; that is correct. It is also worth noticing, I believe, in this connection that these figures in and of themselves have been rendered with high fidelity, in accordance with the policies of government as enunciated by the Congress, and the Bureau of the Budget, and elsewhere. But there is one great big void in the benefit analysis. We do not measure the benefits that accrue to the other people of society from the creation of the reclamation project.

For example, recreation in this instance is computed only at the specific cost of the recreation works. Recreation does not share in the joint works costs. This is true also of the stimulation of local business. The druggist in the closest town has a direct interest in the project, because it will stimulate his income and his earnings; but he bears none of the allocation or none of the direct repayment.

The CHAIRMAN. This reservoir is going to be rather small. Will there be boating and fishing on it?

Mr. PALMER. Yes, sir; there will be.

The CHAIRMAN. What types of crops will grow there?

Mr. PALMER. This is a general farming area. Mr. Harold Nelson, the regional director at Boise, is here. I would like to have him tell you more about the details of the project.

The CHAIRMAN. We have been putting in all this legislation recently a provision that for 10 years after its completion no crop should be produced that is then in surplus, like barley, wheat and oats, and corn. I guess you don't have to worry about it being cotton.

Mr. PALMER. No, sir.

The CHAIRMAN. But what will you put on this land?

Mr. NELSON. I would not worry about that provision.

The CHAIRMAN. What will you produce?

Mr. NELSON. This is largely pasture, alfalfa, some grass seed and some small local truck crops for the local market. There are no sugarbeets. There possibly would be some feed grain for local feeding, the feed for cattle and hogs, but they are very limited in ability to do that, because of course they run out of late season water. So this will enable them to expand their land base with some grazing rights they have outside of the project, but it would largely be small grains for feed, though mostly alfalfa, irrigated pastures, some clover seed, and so on.

The CHAIRMAN. Thank you.

Any questions?

Senator BURDICK. No. I am sure you have carried on the cross-examination very well.

The CHAIRMAN. Is there any further statement you want to make on this, then? What is your experience? Do you strongly endorse the project?

Mr. NELSON. I certainly do, sir; and I would make one other addition to what Mr. Palmer said about the relationship of irrigation

development as a part of a multipurpose power concept. Irrigators heretofore upstream in Idaho have developed storage reservoirs and built up the minimum flow of the stream largely at their own expense. That has had the effect on Snake River of building up the low winter flow. As you well know, sir, about half of the water applied to the land comes back in the form of a return flow during the balance of the year, and about two-thirds of that returns to the river during the winter months when the natural river flows are at the lowest. Just the efforts of the irrigators upstream have increased the power capacity of the Federal power system downstream—I mean by that the Bonneville Dam, McNary Dam, and so on—by about 80,000 kilowatts, which is now salable. And, of course, those funds return to the Treasury.

The CHAIRMAN. What does it do about building up power loads on these privately owned ones up there in the Hells Canyon area?

Mr. NELSON. It has the same effect.

The CHAIRMAN. Are two of them finished now?

Mr. NELSON. Yes. Brownlee is finished and on the line; Oxbow is finished and on the line. And the small Hells Canyon site remaining has not been developed. I understand an access road is under construction.

The CHAIRMAN. Do you have any statement, Mr. Burnett, that you want to make?

Mr. BURNETT. No, sir; I think the subject has been well covered.

Mr. PALMER. I might add in conclusion, Senator, that this project has been carefully examined by the Department. It is thought to be an excellent project. It is supported by the Department, and has also been approved by the Bureau of the Budget. More important, it is supported by the local people.

In specific answer to your earlier question, I have looked up the data on crop production, and one of the interesting things to note is that wheat and barley are grown in the area now. Wheat, for example, makes up 26 percent of the total acreage now. After the project, when they have a reliable water supply and can diversify and move into other crops, it is estimated that this will drop appreciably and be less than 20 percent of the total acreage, and perhaps even below that. They have enough moisture in that area to produce dryland wheat or wheat with just a partial irrigation, but with the full water supply they will have a wider latitude in their plantings.

The CHAIRMAN. Very well.

Mr. PALMER. Thank you.

The CHAIRMAN. Mr. Jackson, will you state your name and the irrigation district you represent, for the record?

STATEMENT OF HERSCHEL JACKSON, SECRETARY OF BOARD OF DIRECTORS, MANN CREEK IRRIGATION DISTRICT, IDAHO

Mr. JACKSON. I am Herschel Jackson, and I am before this committee today to represent the Mann Creek Irrigation District near Weiser, Idaho. I am secretary of the board of directors at present, and have been a member of that board since about 1939. The district was formed many years previous (July 27, 1920). To show that the need for Mann Creek project is of long standing, among the items in the "Forty Years Ago" section of the local newspaper pub-

lished at Weiser was one relating that a local lawyer, engineer, and three of the prominent landowners at that time were inspecting possible sites for a dam and reservoir on Mann Creek.

I have lived on my present farm since 1908 and some of my earliest memories are of general conversations and special meetings concerning means of obtaining storage water. Friction among the water users and the resultant litigation over water rights, which frequently occur where demand is greater than the available water, brought about some accord for the construction of a reservoir in about 1938. An application for a PWA loan was submitted and $80,000 in bonds was voted for the project. A lack of Government funds caused abandonment of this plan, and soon after the Bureau of Reclamation was contacted and a complete investigation of the area was made.

A storage filing was made in 1940 by the United States for 10,000 acre-feet, which is still on file with the State reclamation engineer. Investigation results were drawn up in a report entitled "Mann Creek Project, October 1940." This project was approved for construction under the Water Conservation and Utilization Act. However, the repayment contract failed by two votes of approval, mainly because under the proposed plan a large block of land under the Joslyn ditch would have had an uncertain supply of water after about the 1st of July most years. The Nation's involvement in World War II precluded any further consideration of this contract.

In December 1956, after more than a year of spadework by farmers and members of the local farm bureau, the Mann Creek Irrigation District was formally reactivated, indicating a continuing desire to solve the water supply problem and this resulted in the Bureau of Reclamation making a resurvey of the project and consequent recommendation for construction. At this hearing, we hope to justify this construction.

There are 3,675 acres presently irrigated on Mann Creek and 790 acres on Monroe Creek. None of this land has more than a 60-percent supply in normal years, and most on Mann Creek has less than a 40-percent supply with some as low as about 20 percent, while plenty of water in the great majority of years runs past the land in the early spring when it cannot be used and is destructive to them and adds to lower country floods. The 595 acres of new lands in the project plan are scattered throughout the project area, are included in present farms and are now being dry-farmed. My thinking is that this land will be taken out of surplus crops production if it is irrigated Nearly all is the same class of soil as most of the presently irrigated land.

Under the present type of irrigation, landowners have no choice of crop, no room to maneuver as prices change, but must stay with a grain-hay system whether it is desirable or not. There is no chance to set up a suitable rotation program. The Mann Creek area has an ideal climate for growing seed, but a stand cannot be maintained because of lack of adequate water supply. The climate and soil are suitable for growing fruit and berries, tomatoes and melons, but only small plots can be cultivated where either a well can be found or some other land can be robbed of water. There is a ready market for all of these crops.

The CHAIRMAN. What type of seed are you talking about?

Mr. JACKSON. Grass seed, clover seed, and vegetable seed broom hybrid corn grown in the area, and that sort of thing; onion seed, carrot

seed, and that sort of thing. It seems to be a good place for that sort of seed.

Although the Army Engineers were unable to recommend flood control assistance, they recognized considerable erosion and some damage to improvements. Since most of this occurs during a comparatively few days of the big runoff, it is entirely possible that in most years the dam could be utilized to minimize this damage and benefits might well be much more than anyone can foresee.

Land within the project area at the present time sells for less than half that in neighboring districts where the water supply is sufficient. Several families have moved to other communities for no other reason than dissatisfaction with the irrigation setup here. This has caused the land to be formed into larger units with fewer people. One of the best measures of productivity is land value, and we have a good comparison since nearby land has an adequate water supply. This land, much of it of lesser fertility, of late years has been selling for upward of $600 an acre, some for as high as $1,000, while the land in this area sells for under $300 an acre. Potential buyers are constantly being discouraged by the present water supply situation.

The CHAIRMAN. Do you nave some sort of a pattern of landownership? How many tracts of land are there that are over 160 acres?

Mr. JACKSON. Over 160 acres?

The CHAIRMAN. Yes.

Mr. JACKSON. I would not know the number on that.

The CHAIRMAN. Mr. Palmer, do you have any information on that?

Mr. NELSON. There are 71 ownerships.

The CHAIRMAN. What size?

Mr. NELSON. There would not be any in excess of the 160-acre limit per owner.

The CHAIRMAN. How many in excess of 160 acres?

Mr. NELSON. There are none that would be in excess of 160 acres per ownership.

The CHAIRMAN. You say this has caused the land to be formed into larger units.

Mr. JACKSON. They were fairly small to start with.

The CHAIRMAN. What would you say the size of a family farm would be under irrigation for production of vegetables?

Mr. JACKSON. Oh, 80 acres would probably be the average farm.

The CHAIRMAN. For the production of vegetables?

Mr. JACKSON. Yes.

The CHAIRMAN. Eleven acres is a good-sized farm in the Santa Fe Valley for production of vegetables. I was just curious.

Mr. JACKSON. I would not say the whole farm would be in production of vegetables. It is a diversified thing.

The CHAIRMAN. The point I am trying to get to is, the 160-acre limitation is no problem on this project?

Mr. JACKSON. Oh, no.

The CHAIRMAN. All right.

Mr. JACKSON. When the farmsteads of the western valley were formed and first irrigated, the need for an efficient operation was not great; but as the investment in improvements and tools grew, it has become more imperative to make a farmed acre produce more efficiently. Thus, a full supply of water is a must in modern times. A farmer cannot afford to work land with expensive machinery, pay

high overhead and taxes, and have a part or full failure of a crop because of lack of water if water can be obtained reasonably.

Since water is one resource we have no substitute for and are solely dependent on the elements for, we need to support any effort toward feasible development, conservation, and the like.

Thank you.

The CHAIRMAN. Any questions?

Senator BURDICK. Yes; I just have one question.

How does the community feel about this project now? Apparently you have had some division of opinion in the past.

Mr. JACKSON. We have, yes; but at the present time it is almost unanimous in favor of it by the landowners.

Senator BURDICK. Any differences have been resolved by this time?

Mr. JACKSON. That is correct. I have some statements and letters here from people in the Mann Creek area that I would like to place in the record.

The CHAIRMAN. Mr. Stout, I apologize. I have to run off for just a minute.

Senator BURDICK (presiding). The various statements will appear in the record.

(The statements referred to follow:)

STATEMENT OF HERBERT TARTER, WEISER, IDAHO

I am Herbert Tarter, of Weiser, Idaho. I have lived on Mann Creek for 45 years and have been farming on my own since 1938. Prior to that time I lived with my parents on an adjoining ranch which they purchased in 1917.

My operation is raising cattle and hogs and the feed to feed them. My operation is limited by the amount of feed I can raise with the present water supply. My crops consist of hay, grain, and ensilage. Most of my grain is raised on dry land, except for crop rotation on the irrigated ground.

In 1961, which I consider was close to an average year, my first crop of hay yielded 3,600 bales of hay averaging 71 pounds per bale on 50 acres with one irrigation. The second cutting, which had no water, yielded 450 bales of 65 pounds. My ensilage crop was about 60 percent of what it would have been with plenty of water, even though I robbed other land to irrigate it.

From this and past experience, I feel I could, with the increase in second cutting, a third cutting, and irrigated pasture, afford to pay the proposed assessment.

STATEMENT OF C. J. WILLIAMSON, CHAIRMAN, BOARD OF DIRECTORS, MANN CREEK IRRIGATION DISTRICT

I am C. J. Williamson, chairman of the board of directors for the Mann Creek Irrigation District. I have been a member of that board since about 1955. I was on the Farm Bureau committee for about 3 years before that. The sole purpose of this committee was to inquire into ways and means of reactivating the district and contacting the Bureau of Reclamation for reinvestigating the project. In this purpose we were successful.

I have lived on Mann Creek all my life and have lived on my present farm since 1927. During this time, I have farmed about 85 acres of land with one of the poorest water rights in the valley. The rest of the farm was dry farmed. In order to try to raise the family income, we purchased an adjoining farm, which has about 15 acres of orchard and one of the best water rights. The return from the land with the poor water right is not much better than that on the dry land. We have water for only one crop of hay and possibly some pasture and the grain crop is not much, if any, better than that on the dry land. On the orchard land we have enough water to mature a fruit crop but don't have enough to maintain the trees unless we use clean cultivation, which is not good for most varieties of fruit. This is important as Mann Creek is considered a very good fruit-producing area and ready market is close by, and I have never known a complete crop failure due to frost.

The Mann Creek Irrigation District was formed for only one purpose—to get a full water supply.

STATEMENT OF EVERETT D. GUNN, MEMBER, BOARD OF DIRECTORS, MANN CREEK IRRIGATION DISTRICT

I am Everett D. Gunn, a dirt farmer, and one of the three-member board of directors of the Mann Creek Irrigation District. Herschel Jackson, an associate director of the same board, has given you a summary of the history and development of the Mann Creek community. My wife and I came into the picture originally 15 years ago while we were looking for a small ranch for our recently Navy-discharged son-in-law who wished to benefit from the GI bill of rights and start into farming.

I own 205 acres of cropland, of which 140 acres is now partially irrigated.

I would like to give a list of the advantages of the Mann Creek Reservoir project. However, first, I would like to say that this whole program does not seem to savor of a boom or speculative development which sometimes tends to defeat its own purpose or plan. This fact is demonstrated by the large number of holdings on the two creeks. The advantages are as follows:

1. It would begin to restabilize what was once a very stable and strong community and which at the present time is beginning to decline.

2. It would strengthen the winter base for livestock, and thus contribute to maximum quality development of our livestock on the public range of the Federal reserve.

3. It would strengthen the educational and cultural development of our community. (As it is now, we are sending practically all of our youth elsewhere—in many instances to places with less potential resources.)

4. We do not object to educating and training our youth for positions needed elsewhere, but we should keep more at home and not bankrupt our community by leaving older operators. Many of our youth would love to stay on the farm if they could.

5. The Mann Creek project would contribute most by giving stability to existing local enterprises such as stable supply of alfalfa, feed grains, and silage crops for better quality production of livestock.

6. Make possible for some small supplementary cash income in the production of perishable fruits, vegetables, and melons for which there is a tremendous local demand, especially in the upper country. This would be such crops as peaches, cherries, strawberries, and melons, and other vegetables.

7. By having all-season irrigation, it would make possible the use of interruptible hydropower for irrigation pumping, which power is largely useless for any other purpose. In this development, we see a revival and continuation of our wholesome community life with a maximum contribution of good citizenship, cultural and economic well-being, with a minimum negative contribution to migrant or unemployed population. This project is well received by all segments of our overall Weiser community.

At all rural area development (RAD) meetings led by the extension division of the University of Idaho, a land-grant institution, water projects, such as the Mann Creek Reservoir project, have been given priority in all discussions. These discussions and planning groups are made up of leaders of all segments of each community such as chamber of commerce, farm bureau, farmers' union, cattlemen's association, beet growers, wool growers, fruit growers, industries, et al.

Mr. Chairman and members of the committee, we appreciate your attention in considering our relatively small project and hope that it might receive favorable consideration.

SIGNAL-AMERICAN PRINTERS,
Weiser, Idaho, March 24, 1962.

Senator FRANK CHURCH,
Washington, D.C.

DEAR SENATOR: Your good work in bringing the Mann Creek project bill before Congress is appreciated and we want to assure you that the people of this region are most eager for the project. Federal investment in this project will pay off for this State, the Northwest, and the Nation.

As you have pointed out, Bonneville Power Administration is justified in helping finance the project because Snake River and its tributaries, of which Mann Creek is one, furnish an important part of the water used to generate the power there;

also the dam was built with public money. We fail to see any logic in the contention that BPA profits be used only in the BPA distribution area.

If you know of anything that we or anyone here can do to help get a favorable vote for Mann Creek project, do not hesitate to call on us.

Sincerely,

HARRY N. NELSON, *Publisher.*

SIGNAL-AMERICAN PRINTERS,
Weiser, Idaho, March 24, 1962.

Senator HENRY DWORSHAK,
Washington, D.C.

DEAR SENATOR: We are concerned about the outcome of the Senate subcommittee hearing on Mann Creek project on April 5 and want to assure you that the people of this region are solidly behind the project. It is felt that the Federal investment in this project will pay off for this State, the Northwest, and the Nation.

The question about Bonnevile Power Administration helping to finance the project should not be hard to decide, in our opinion. Bonneville Dam was feasible because Snake River and its tributaries, of which Mann Creek is one, furnished an important part of the water used to generate the power there, also the dam was built with public money. Therefore, how can there be any justification for the contention that BPA profits be used only in BPA distribution area?

Your good work in bringing the Mann Creek project bill before Congress is appreciated and if you know of anything that we or anyone here can do to help get a favorable vote, do not hestitate to call on us.

Sincerely,

HARRY N. NELSON, *Publisher.*

THE CONSUMERS' COOPERATIVE ASSOCIATION, INC.,
Weiser, Idaho, March 29, 1960.

Senator FRANK CHURCH,
U.S. Senate, Washington, D.C.

DEAR SENATOR: For many years the ranchers of Mann Creek and Monroe Creek have been interested in the storage of water to help them in all-season irrigation. We feel this a very important project for stabilizing the operations in those two valleys as well as indirect benefits to our community as a whole and important in the normal development in this part of our State. We therefore give our urgent support to the project.

Yours very truly,

G. L. ROBERTS, *Manager.*

RESOLUTION OF THE WEISER CHAMBER OF COMMERCE

Whereas the Weiser River is the only major river in southwest Idaho that is not controlled with dams; and

Whereas floods on the Weiser River have been growing in frequency, due undoubtedly to logging, grazing, and farming, reducing natural cover so that some years there are two floods; and

Whereas there is land in the Weiser Valley that needs supplemental water and new land that is suitable for irrigation; and

Whereas the need for flood storage is vividly apparent; and

Whereas we, the members of this communitywide organization, will devote our best efforts toward encouraging landowners involved to realize the importance of feasible projects;

We hereby, therefore, urge that the Bureau and Army Engineers carry out the surveys and planning they have started as fast as it's possible and ask, if at all possible, to have the feasibility reports on the potential projects listed in the preliminary summary report completed by the spring of 1963, in the hope of securing authorization of feasible projects before the election of 1964; and

We further ask that the Bureau and engineers cooperate in any way possible to help secure authorization and appropriation for the building of the Mann Creek

project, as bills for its authorization will be reintroduced in Congress early in the coming session.

Passed by unanimous vote at the December 5, 1960, meeting of the chamber of commerce which was attended by 36 members, of which several were area farmers.

WEISER CHAMBER OF COMMERCE.
By DENNIS E. SHEEHY, *President.*
By HELEN STUBBLEFIELD, *Secretary.*

STATEMENT OF LASELLE E. COLES, PRESIDENT, NATIONAL RECLAMATION ASSOCIATION, PRINEVILLE, OREG.

My name is LaSelle E. Coles. I am president of the National Reclamation Association, and reside at Prineville, Oreg.

The National Reclamation Association was organized in 1932 for the purpose of promoting the development, control, conservation, preservation, and utilization of the water resources of the reclamation States. About 90 percent of our membership is composed of people living on and operating their own farms.

The Mann Creek project is a supplemental water supply project in Washington County near Weiser, Idaho. This project is a going concern but, like a good many projects in the West, lacks a stable water supply. This lack of water causes a hardship on the farms, which can be eliminated by construction of the additional storage facilities proposed in this bill.

The Mann Creek project lands consist of 5,060 acres which are divided into 71 irrigated farms with the average size farm being about 60 acres. This is a project of homes which contribute a great deal to the economy of the State of Idaho and the Nation. Crops which are now in surplus are not generally grown on this land.

The project has a benefit-cost ratio of 1.31 to 1 for a 50-year period and 1.65 to 1 for a 100-year period. The total cost is $3,138,000. The farmers will be able to repay $1,013,500 of the total cost; the balance must be charged against net power revenues of the Columbia River power system.

The National Reclamation Association has repeatedly gone on record as favoring a power assistance to reclamation. Power has been a paying partner with the farmer since 1906 in the development of the arid and semiarid lands of the West. We have precedent in the Upper Colorado River Basin project, the Missouri River Basin project, the Central Valley of California, and many of our projects within the Columbia River drainage area.

The Mann Creek project is in line with the policies and principles of my association; it complies with the precedents which have been established by this committee in approving many other projects; it is noncontroversal between States and departments; and its completion would be another step in the development of the West. Therefore, Mr. Chairman, I would like to urge this committee to give favorable consideration to this project.

STATEMENT OF ROBERT STOUT, RANCHER, MANN CREEK AREA, IDAHO

Mr. STOUT. Mr. Chairman and members of the committee, I am Robert Stout. I was born in the Mann Creek area and have lived there all my life. I have been operating a ranch since 1939, both irrigated and dry land, part of the dry land being grazing land.

I am acquainted with every farmer or rancher in the entire project, some having a better water supply than others, but no one having enough for the full growing season. There has been considerable effort by individuals and committees ever since I can remember to obtain a reservoir through private or Government means. We have found it impossible to do this without assistance.

Everyone nearly is limited to hay and grain. There can be no diversified farming without a full water supply. Much of this land, I think, would be in the production of more livestock.

I know in my own case I now have the limit in the conservation reserve, which is all dry wheatland. The rest of my dry land is devoted to grazing, part of which is native grass; the remainder was once farmland which I now have seeded to permanent pasture. If I could have enough water for the 160 acres of partially irrigated land to raise the feed for cattle, I would leave the wheatland that I now have in the conservation reserve, in grass and graze it with cattle after the end of my contract with the Government.

I have been talking with members of the Washington County Rural Area Development Committee and find that this project has been placed at the head of their project list.

Gentlemen, I thank you for your time in considering this project. It has the full support of the local people, who have long sought a solution to the problem of our insufficient water supply. I earnestly hope the committee will act favorably on this authorization bill.

Senator BURDICK. Are you one of the farmers that relied on the 595 acres of new land?

Mr. STOUT. No, sir. Well, I have a small portion of that 595 acres that is not irrigated now, but very small.

Senator BURDICK. Do you have some land under irrigation?

Mr. STOUT. I have 160 acres partially irrigated. I say partially irrigated, because we have a limited supply of water. It all has water on it now.

Senator BURDICK. You are in the present district, then?

Mr. STOUT. Yes, sir; and have been all my life.

Senator BURDICK. What kind of crops are raised in these 595 acres that would be brought in? Is it wheat and grass?

Mr. STOUT. Mostly grain, either wheat or barley at the present time.

Senator BURDICK. That is all. Thank you.

Mr. STOUT. Thank you.

Senator BURDICK. That concludes the witnesses for S. 405.

Several statements that have been submitted will be placed in the record at this point.

(The statements referred to follow:)

STATEMENT OF KEN BILLINGTON, EXECUTIVE SECRETARY, WASHINGTON PUBLIC UTILITY DISTRICTS' ASSOCIATION, SEATTLE, WASH.

Mr. Chairman, members of the committee, I am Ken Billington, executive secretary of the Washington Public Utility Districts' Association with offices at Seattle, Wash. Membership of the association is comprised of public utility districts serving water and electric customers throughout the State of Washington. Practically all of the electric power which we sell our customers is secured from the Columbia River Federal power system through the Bonneville Power Administration.

We appear in opposition to that portion of S. 405 which would require that power revenue subsidy to this reclamation project be obtained from the Bonneville Power Administration. We are in support of reclamation projects and recognize that in certain instances a subsidy over and above that amount which can properly be reimbursed the Government by the irrigator is necessary. Normally this subsidy is otained from power revenues when the reclamation porject is directly related to a multiple-purpose project which produces power. In past projects the relationship has been most direct, with the actual participants in the reclamation project also being among the users of electricity from the power project. In any case, the adjacent or surrounding areas using the electricity and, therefore, providing the reclamation subsidy would at least be sharing in the indirect benefits which accrue from the reclamation project. As such, it was logical to expect the subsidy for the reclamation project to originate from power rev-

enues coming from the adjacent areas or those joined to the multiple-purpose or reclamation project.

The principle in S. 405, however, of using general Bonneville Power Administration revenues for the purpose of the subsidy is much broader and deviates from past practice and established policy. On the one hand Congress is being asked to authorize this reclamation project as being a feasible and worthwhile project for the overall economy of our Nation. On the other hand, however, by this type of subsidy Congress is being asked to place the responsibility for providing the subsidy needed to make the project feasible upon a special and limited segment of the people of the Nation. In many instances these will be people who have no relation whatsoever to the particular reclamation project involved—at least no more so than other general citizens and taxpayers of our Nation.

We feel a reclamation project which is not directly associated with a multiple-purpose power-producing project but which is justified on the basis of improving the general national economy should be underwritten by the entire national economy instead of placing such responsibility on only the power customers using federally produced power. To do otherwise discriminates against the electric customer who is using federally generated power as compared to the electric customer served by a utility which has its own power supply.

A second reason for our opposition to this type of an arrangment is that it would establish a systemwide method for reclamation subsidy while the power system involved does not have the benefit of using a systemwide payout procedure. In other words, the Columbia River power system is being treated as a joint system for the purpose of reclamation subsidy but is being denied this method for power-payout purposes. The present payout method used for the Columbia River system is based on an individual 50-year period for each individual project. This increases to a considerable extent the amount of annual costs required to amortize the entire system on an individual project accounting basis. Certainly it appears logical that if the entire system is to be used for the purpose of reclamation subsidy, then the proper accounting and payout procedure on a systemwide basis should apply for the purposes of power payout.

No credence should be given to the statement that this type of subsidy for reclamation will not affect existing power rates. You simply can't get something for nothing, and any time you add another dollar of repayment responsibility to the power user's bill you will affect his power rates.

Normally in a constantly growing utility system the earnings from a first or early-constructed generating plant will be used for the purpose of amortizing the cost of a second or subsequently built generating plant once the first one is paid for. This could automatically take place in the Columbia River power system if the earnings from dams paid out in the early years could be used to cover costs of dams built in later years. To add a reclamation cost, even though it is to be paid after a 50-year period, will dilute the earnings credit in the power system which had been paid for and built up by the power user.

A further argument against this type of an arrangement is that the Bonneville Power Administration is not a multiple-purpose agency of the Federal Government. It is merely a power sales agency for those departments which construct and operate multiple-purpose projects. The production and sale of power has been a related or secondary adjunct of such projects. The proposed type of an arrangement makes power sales a prior or first obligation of the Federal Government.

Our final argument in opposition to this type of reclamation subsidy is on the basis that the project being considered here is not located in an area in which Federal power sales are made. In other words, no contribution is to be made in the form of power sales by the area which is to have the project. Certainly in fairness it would seem that if Bonneville power revenues are to be used for a reclamation subsidy the reclamation project should be located within the established and used Bonneville service area from which the power revenues originate.

We feel the proposed reclamation project is of value and is needed in the development of the Nation's economy. However, it should be directly related to a particular multiple-purpose project if power revenues are going to be used for the reclamation subsidy purpose. Otherwise the project should be authorized and constructed on the basis of using the general credit of the Federal Government with direct grants for the purpose of those subsidies needed in excess to the amounts which irrigators can properly pay. General power revenues from the Bonneville Power Administration should not be used for such a purpose.

VANCOUVER, WASH., *April 4, 1962.*

Senator HENRY M. JACKSON,
Senate Office Building, Washington, D.C.:

Both Mann Creek and Baker project bills proposed precedents for irrigation subsidy accounts without geographic limitations or other desirable standards. As a compromise and pending establishment of a broader legislative solution such as are now under study, we recommend tying Mann Creek to Anderson Ranch Dam and tying Baker to John Day Dam, following the Chief Joseph pattern of 1952 with this amendment. We endorse both bills.

GUS NORWOOD,
Executive Secretary, Northwest Public Power Association.

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