

Mr. DOMINY. The uncertainty of its availability in the lower basin would preclude relying on it for the central Arizona pumping power needs. Furthermore, the upper basin power is being produced at a much lower load factor than is the requirement for energy to pump the central Arizona water supply. The power needs of the central Arizona project do not fit the generation pattern, Mr. Saylor. It could not be done economically.

Mr. SAYLOR. Now, Mr. Secretary, in this WEST group you mention, the planning group, you have mentioned several groups in the State of Arizona. There is the Salt River group and the Arizona public power group. Why could not they, being semipublic agencies, build this plant and you buy the power from them?

The reason I ask this, they have all the advantages—at least Salt River has the advantage of not being required to make a profit and they have the advantage of a pretty good interest rate—two of the three factors that you say cause this high cost of commercial power are already available to one of the partners in WEST. Why can't you go to that group and ask them to build this plant and you take the power from them?

Secretary UDALL. Congressman, you are very close to precisely what we are proposing here. The reason the WEST organization works is that the modern way to produce electric power is to go to very large units. We get the largest units we can in order to get the economies of scale and to get cheap power for everyone. And any participant, public or private, that wants a piece of the action can own a piece of the plant—12 percent, 15, 27, or whatever it happens to be. In this instance, we will not own part of the plant, we will simply be entitled to the product of the plant in a certain quotient, depending upon what we have contributed.

The plant will be financed in part by public agencies and in part by private agencies. We will contribute our part.

This is the way it works. One of the things that permits the Arizona project to stand on its own feet without subsidy and pay its way under the traditional approach is the fact that it will have 3.5-mill power instead of 6.5-mill power. This will help a great deal in the economics.

Mr. SAYLOR. Mr. Secretary, if my information is correct WEST proposes to build its plant somewhere in the area of Page, Ariz. Is this correct?

Secretary UDALL. This is a general vicinity description.

Mr. SAYLOR. I mean within miles?

Secretary UDALL. Yes, that is right.

Mr. SAYLOR. This is the so-called area for which it would be built. Does not the Federal Government own practically all the land in that area?

Secretary UDALL. No, the Navajo Indians do.

Mr. SAYLOR. Well, it belongs to the Navajo Indian Reservation. Who is the trustee for the Navajo Indians?

Secretary UDALL. I wear that little mantle, I am afraid.

Mr. SAYLOR. Now, you have that hat on, you have the hat of the Secretary of the Interior, and the hat for the Indians.