

been for them coming into the breach and standing up like Horatio at the bridge, we would have been invaded by a tax-paying, royalty-paying geothermal steam industry today and these lawyers saved us from being plagued with those extra revenues in the U.S. Treasury.

Mr. SAYLOR. Let us get this back on the hearing for which the Secretary came up here.

Secretary UDALL. I am overwhelmed with bouquets.

Mr. SAYLOR. Mr. Secretary, you would deal with the Lower Colorado River Basin development fund. Why do you not look to the revenues from Hoover and Parker-Davis for first payment into this fund. And, second, why do you not use the power from these sources for the development of pumping water for the project?

Secretary UDALL. In relation to the use of this power for Central Arizona pumping, there are several reasons why it can't be used. The power at Hoover Dam is under contract for the entire payout period and in effect has been sold at least for the first 50 years. These contractors have rights to renewal of contracts. So this is part of the answer.

Another reason is that the load factor is not suitable for meeting pumping requirements.

As far as the lower basin development fund is concerned, as I have indicated today, we have no objection to this. I simply make the point that the Arizona project does not need this help. It stands on its own feet the way we have the plan laid out now.

Mr. BURTON of Utah. Mr. Chairman, will the gentleman yield to me?

Mr. SAYLOR. I would like to go ahead here.

Mr. BURTON of Utah. Go ahead, then.

Mr. SAYLOR. Next I am coming to water supply, which is the next item which the Secretary has covered.

Mr. BURTON of Utah. I will renew my request that the gentleman yield, because I have a point on that particular issue.

Mr. SAYLOR. All right.

Mr. BURTON of Utah. Mr. Secretary, is it not true that if the revenues from Parker, Hoover and Davis are not applied in the Basin account, when the payoff period is complete, these revenues can be used to give, in effect, southern California a power windfall that is not available to any of the sister States, and these revenues will not be used to create any participating projects other than in that area?

This is one of the reasons why some of us wonder if your proposal to exempt those revenues from participation in central Arizona and other projects in the basin, including the Dixie, is not an unfair advantage to some interests in California.

Secretary UDALL. I am not proposing that they be exempted at all. All I am saying is that as far as this present legislation is concerned, it is not absolutely necessary. The Congress has the option to consider the policy question of what should be done when Hoover payout occurs. For the project, unlike most of the later power projects, there is no subsidy out of Hoover for irrigation at the present time. If the Congress wishes to create a development fund after payout, this is certainly a subject in which we can take a very keen interest. We are raising no objections to that.

Mr. BURTON of Utah. On that point, Mr. Secretary, previously when you testified before the committee—and I say this with all re-