

Mr. JOHNSON. I think any legislation introduced by the chairman would agree to that.

Mr. DOMINY. I am certainly in favor of it.

Mr. JOHNSON. Should not the bills presently being considered by this subcommittee be modified to clearly state that the central Arizona project water users shall continue to contribute to the development fund after payout?

Mr. DOMINY. If there is a development fund, I would think that would be the case.

Mr. JOHNSON. I have just two more of this particular nature:

Was not the administration's program in 1967 one in which costs allocated to the central Arizona project were to be repaid without subsidy from the Hoover-Parker-Davis revenues?

Secretary UDALL. This was our proposal, yes.

Mr. JOHNSON. How was this to be accomplished?

Secretary UDALL. This would be essentially by raising municipal and industrial rates, or by an ad valorem tax, whichever the Arizona people decided.

Mr. JOHNSON. According to the Department of the Interior studies on the administration bill, Arizona would derive \$89 million of benefits each year from the central Arizona project. In view of these large benefits, do you consider it reasonable that the central Arizona project beneficiaries should pay the minor assessment of 0.6 mills per dollar of assessed valuation?

Secretary UDALL. This is what we proposed. We thought it was right. Of course, the Congress may express its own judgment on this issue.

Mr. JOHNSON. Do you have any further comment, Mr. Dominy?

Mr. DOMINY. No, except to say that we have these benefits from all of our projects. In some cases, we have the requirement in law for a conservancy district-type assessment. In others, we do not. We have had no flat standard on it. In recent years, the tendency has been in this direction. The Upper Colorado River storage project is an outstanding example of where the conservancy district-type assessment is required.

Mr. JOHNSON. I know recently the same methods were used in Oahe project in creating the conservancy district under their enabling legislation to insist on that. I assume these other projects will have to have it.

Secretary UDALL. The difference, of course, with Oahe, is that it involves an entirely new program in an area, as contrasted with supplying water to the Salt River project, which is one of the oldest irrigation projects in the country. Where you have existing projects, you do have a somewhat different situation.

Mr. JOHNSON. I would like to discuss briefly the augmentation part of this or a feasibility study or reconnaissance study.

We are asking for, in the legislation whereby the States and accompanying States have something, I want to agree with you that when we talk merely about 2.5 million acre-feet from any other basin bringing that amount of water in certainly will cost a great deal of money, the same as it would if you were to take it from the coast and move it across and do the job you expect to do here. But I am certain the Department, in considering this, a little reconnaissance was done to