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SPEECH

OF

HON. CHAS. H. RUTHERFORD

ON

THE COLORADO RIVER COMPACT

DELIVERED IN

THE ARIZONA STATE SENATE

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ARIZONA COLLECTION
ARIZONA STATE UNIVERSITY



HON. CHAS. H. RUTHERFORD

MR. CHAIRMAN:

In arising to discuss the great issue before this body, the Senate of the Sixth Legislature, I realize the greatness of the subject which is not only paramount in the minds of the members of this Senate, but also in the minds of the people within our State. I realize the solemnity of the ocacsion and the great responsibility with which we are charged, a responsibility to my mind greater than any that has ever confronted a similar body since the organization of our Territory in 1863. Whether we act wisely or otherwise, remains to be seen. Whether our votes shall be commended or condemned is a matter for each and everyone of us to decide. I am willing to accept the responsibility for my own action.

We have been handicapped by the absence of facts which might have occasion and the great responsibility with which we are charged, a regretted that any bureau of this State to which a large amount of funds have been appropriated from our treasury has so sadly neglected and failed to furnish us with the information to which we are justly entitled.

The question has been asked me many times in the past few weeks: Are you for the Santa Fe Compact? To which I have given but the one answer, viz., I am not, in the absence of more specific information. And in this connection, may I add that upon the 8th day of January, this year, the Governor of this State in his message to the Legislature, used the following language:

"Whether the proposed past will facilitate the early harnessing of the river is debatable. The pact contains no provisions for construction of any dams. It is essential that in considering the provisions of the pact, all factors be taken into consideration, including those omitted from the pact.

"May I not urge that every paragraph of the pact be scrutinized and studied carefully before any conclusions are arrived at as to whether or not Arizona should become a part of this contract?

"This subject is bigger than political parties; it is bigger than statesmen; it is bigger than any man or the ambitions of any man; it is a question of what is the best thing to do for Arizona and the States of the Colorado Basin, for America, and for the peace of the world.

"I am not an alarmist, but I think it is well to call your attention to the fact that American land speculators are seeking to reap huge profits from Japanese financiers interested in lands in Lower California proposed to be irrigated from the waters of the Colorado River. These matters were reported in recent issues of the Los Angeles, California, papers and should be seriously studied in connection with any proposed development made possible through the control of the flood waters of the Colorado River Basin."

The words of our Governor, I heartily aprove of, and at this time I desire to briefly discuss the Colorado River Compact itself and its relation to hydro-electric power and to commerce.

THE COLORADO RIVER COMPACT AND ITS RELATION TO HYDRO-ELECTRIC POWER AND TO COMMERCE.

The East has passed beyond the Mississippi and now meets the recoiling West in the Rocky Mountain Range in compact combat.

The battle ground is within this chamber. The object of contention is the Colorado River.

What is the setting of this battle? What are the forces contending and their magnitudes?

We are in the midst of a battle royal between the commercial forces of the East and the public of the West.

We must take a broad view of this battle or we shall fail.

THE ROCKY MOUNTAIN DIVIDE.

The Rocky Mountains divide the United States into two parts, the one quite dissimilar from the other. The histories of the peoples of the two parts are quite dissimilar and the natural resources with the characteristics of the country are quite dissimilar.

The letter is in part expressed in the relative distribution of hydro-electric power.

Seventy-two per cent of the total hydro-electric power of the United States is West of the Rockies.

Forty-two per cent of the total hydro-electric power of the United States is found in the three states bordering on the Pacific Ocean,—Washington, Oregon and California.

There is about 30,000,000 horsepower in use within the United States and about 6,000,000 horsepower of this is hydro-electric power.

There is about 30,000,000 hydro-electric primary horsepower in the United States and if the secondary power be added, the horsepower mounts to 53,000,000. If liberal storage capacity be provided, the total hydro-electric horsepower mounts toward 100,000,000.

HYDRO-ELECTRIC POWER MONOPOLY.

There is an hydro-electric power monopoly in the United States clearly disclosed in the Government report, "Electric Power Development in the United States," published in 1916 in Senate Documents 8-9 and 10, parts one, two and three.

There are about 1500 electric power corporations which are interwoven and constitute a web work throughout the country, all directly focusing in thirty-one banks and trust companies of New York, Boston and Philadelphia, which latter institutions dominate hydro-electric power finance.

There is under way a battle between these power institutions of the country and the public concerning power rates. There is inherent in the organism of the power monopoly an unalterable tendency to raise and maintain rates higher than the public can afford to pay.

The revulsion of the public against excessive rates expresses itself in bitter fights here and there and often in the form of attempts with more or less success to establish publicly owned and controlled electric power institutions.

The establishment of such publicly owned institutions is a menace to the power monopoly in that the lower rates of service associated with public institutions react unfavorably upon the standard rates of the power monopoly.

Therefore, it will be seen that it becomes a matter of business of the power monopoly to gain control of at least the most important hydro-electric resources and thus prevent the establishment of publicly owned and controlled hydro-electric institutions.

These two contending forces have met at the Colorado River.

The compact between the seven states before this body for consid-

eration is an expression of a phase, and only a phase, in the contentions between the two forces described.

The power monopoly has decided advantages rooting within itself in this case further advantages on account of the weaknesses of the opposing forces.

A brief explanation of the latter statement may be made.

ARIZONA AT A DISADVANTAGE

There lies along the Pacific Ocean three states which have benefited greatly in their development on account of free access to world commerce upon the sea. Wealth and population have risen by leaps and bounds.

There lies between these states and the Rocky Mountain Range, and in the west foothills of the range, a row of states of lesser advantages except for the specific and exceptionally generous natural resources in the form of mineral wealth and to a considerable extent hydro-electric power. Arizona is one of these states.

It is interesting to note that these states have been subjected to two commercial forces; the one force reaching in from the East and carrying away the wealth to the East, and the other reaching in from the West and carrying away wealth to the West. The general result is that this row of states is being depleted rapidly. The increase of population has not been rapid and when the wealth found in concentrated form has been for the most part taken away, the states will be left quite helpless. Look across the Colorado to Nevada as the best example of the latter statement.

Those within this chamber will recall that the name Nevada was a synonym for el dorado and that the phantastic wealth of this state flowed East and West, made millionaires on the west coast and millionaires on the east coast. In the zenith neither the inhabitants of Nevada nor the outside public contemplated for a moment the present Nevada—depleted, exhausted, limp and quivering. We may well ask, is it the future picture of Arizona?

The answer is not if the public of Arizona rouses itself out of lethargy and forces the fight into the territory of the opponent.

What then has the Colorado River Compact to do with this?

ANALYSIS OF ARIZONA.

The question calls for an analysis of Arizona and her setting in the whole, and this analysis will include the analysis of factors and forces within Arizona and factors and forces without Arizona.

First, let us take a view of Arizona as she is. She has a population of 350,000 and her greatest resources is the Intelligence of her people. As to material resources the report of the Arizona Tax Commission of 1922 may be taken as an index:

VALUATION AND PERCENTAGES OF STATE TAXES PAID BY CLASSES.

	Percentage		Valuations	
	1920	1922	1920	1922
Railroad	11.35	13.72	$100,985,637.06	$100,427,627.00
Mining Property of all Descriptions	52.79	48.97	469,651,131.18	358,522,577.00
Land and Improvements	11.60	11.68	103,252,333.64	85,498,475.00

	Percentage		Valuations	
	1920	1922	1920	1922
Town and City Lots and improvements	10.44	12.12	92,901,192.50	88,693,343.00
Livestock of all kinds	4.70	3.76	41,802,486.25	27,508,739.00
All other property	9.12	9.75	75,856,901.87	71,370,525.00
			$884,455,682.50	$732,021,286.00

Arizona is at present in an agricultural and commercial depression.

Arizona and California are the two most important states relative to the development of the Colorado River. We may therefore take a glance at the summary of California.

California has a population of 3,500,000. It has an estimated total value of $7,000,000,000.00. California outweighs Arizona in almost all respects. However, Arizona occupies a position of decided advantage, not alone as against California, but also as against each and all of the other Colorado River Basin states, an advantage in the Colorado River development projects. It remains only for Arizona to protect her rights therein. To do this she will have an uphill fight, since her worst enemies are within her own borders. Specifically, as it stands now, those who have benefitted the most out of the wonderful Arizona resources are her worst enemies and are the most difficult to fight because of their insidious methods.

The total bonded indebtedness of the State of Arizona at present is $43,000,000.00, including state, county and local obligations.

The per capita taxes before the war was $17.00. At present it is $37.00.

Approximately 12,000 farmers are unable to pay their taxes this year.

In the state there is now due nearly $4,000,000.00 of taxes not paid.

THE POWER TRUST.

The power trust of the United States is a colossal institution representing as it does in total a capitalization of over $4,000,000,000, and if we add to this the almost inseparable gas, electric street railway and transportation lines and other public utilities, we have a combined value of over $15,000,000,000.00, all essentially financed by the thirty-one trust companies and banks having a total combined resource of $5,000,000,000.00, a grand total amount of resources as well be seen approximating $20,000,000,000.00. This combination of wealth looks toward maintenance of domination of all the hydro-electric power resources of the country for all time. Again may we ask, of what interest is this to Arizona?

The seventy-five power trust units in our neighboring state, California, have a total capitalization of $500,000,000.00, and one of these units, the Southern California Edison Company, has reached into the Colorado River through the application for a license upon the Glen Canyon dam site and power site. There are indications that the Southern California Edison Company has joined hands with the mining interests of Arizona in the attempt to acquire control of the Colorado River.

The city of Los Angeles for itself and other California communities has applied for a license to build a dam and power plant at Boulder Canyon. The two applications mentioned represent two powerful forces

from California reaching into the Colorado River within the borders of Arizona.

Mining interests of Arizona have taken over the Diamond Creek site through the Girand license.

There are other applications for power sites on the Colorado River within Arizona.

DIAMOND CREEK LICENSE CARRIES CONTROL OF 4,000,000 HORSE POWER.

What is Arizona doing in efforts to protect her rights on the Colorado River? She stands by as if bound hand and foot. In fact, she issues a free permit to private interests for the Diamond Creek site, a permit which is matched by a duplicate permit from the Federal Power Commission, grants to the licensees, in effect, a perpetual commercial option and control upon the Colorado River power within Arizona—approximately 4,000,000 horse power ultimate development, and an associated control of the construction of flood control and irrigation dams. The issuance of that permit by the Water Commissioner was a stab at the heart of struggling Arizona.

To those who see the full significance of it, the unfairness exhibited b ythe Water Commissioner to the 350,000 people of Arizona in his act of issuing the Diamond Creek permit a few days before the people's legislative representatives met for the Sixth Lgislature Session, and without consulting with them, carries beyond the issuance of the permit, to the act of signing the Colorado River Compact. The question arises as to whether all was well in Arizona's part in the Colorado River Compact. It all prompts the spirit of inquiry into the signing of the compact by the commissioner of Arizona. The values involved in both transatcions are colossal and the circumstances disquieting. What part did the Diamond Creek interests have in the signing of the Colorado River Compact and in the issuance of the permit?

Can it be that the Water Commissioner did not know of the import of issuing the Diamond Creek permit? Can it be that the Water Commissioner was prompted by the highest motives for the welfare of the State of Arizona? The Diamond Creek card is played for a colossal stake. With this card passes Arizona's chance to survive.

COLOSSAL ULTIMATE VALUE OF COLORADO RIVER POWER.

If, as we believe, the country west of the Rockies will take its place ultimately in commercial balance with the country east of the Rockies—having in mind the Oriental trade—we may well contemplate the ultimate profits involved in the ownership and control of the power of the Colorado River within Arizona. For, if the present United States average net income available for dividends upon each horsepower per year, of $36.00, be taken as a factor, the total ultimate income from the power available on the Colorado River within Arizona will reach the stupendous sum of $144,000,000.00 per annum, which sum if capitalized on the basis of 6 per cent per annum, will show a total capitalization of $2,400,000,000.00 carried by the river. And perhaps a greater stake than this is involved in corralling the Colorado River power in private ownership, thus eliminating the breaking down of power trust rates throughout the entire United States and the subsequent depreciation of market values of all power trust stock outstanding.

Can it be that the profound facts and deductions therefrom herein mentioned and others have no relationship to the Colorado River Compact, and the persistent pressure for its ratification by the controlled press upon the Legislature of the State of Arizona?

ARGUMENTS FOR COMPACT ARE ELUSIVE.

The compact in its complexity is a baffling instrument.

We have no seven states compact in force now. The draft of compact submitted is a new deal for Arizona. The burden of proof therefore is upon the proponents of the compact. What! Is their proof sufficient to overcome all objections? With open minds we have listened, anxious to adopt safe progressive measures redounding to the benefit of Arizona.

According to our first impressions, the first and governing argument submitted in favor of the compact is that the acceptance of the compact by Arizona will unlock some unexplained situation which will result in the construction of some flood control and irrigation and power dam on the Colorado River soon. It should be added that no specific dam is mentioned, no assertion is made that there is any definite corollary promise made by anyone in respect to construction of dams.

It is difficult to meet elusive arguments. We can only search for information and facts which prove the falsity of the assertions. Anxious to know what the Government has in mind, Representative O. S. French sent the following telegram:

Phoenix, Arizona,
February 8, 1923.

Hon. Carl Hayden, M. C.,
Washington, D. C.

Has Congress recently appropriated One Hundred Thousand Dollars for investigation Boulder Canyon, Glen Canyon and other features of the Colorado River? Please answer immediately.

O. S. FRENCH."

The reply:

"Washington, D. C.
February 10, 1923.

Hon. O. S. French,
State Legislature,
Phoenix, Arizona.

Interior Appropriation Act approved January 24th carries One Hundred Thousand Dollars for continued investigations of feasibility of irrigation, water storage and related problems on Colorado River (Stop) Similar appropriation has been used for investigations at Boulder, and Black Canyons and this money may be used at Glen Canyon (Stop) See answer of Director Davis to question eighteen in my remarks.

CARL HAYDEN."

Said question eighteen and answer read as follows: (We quote from extension of remarks of Hon. Carl Hayden in the House of Representatives, Tuesday, January 20, 1923, printed in the Congressional Record of January 31, 1923).

"Question 18. (Propounded by Mr. Hayden to Mr. Davis). The Interior Department Appropriation Act for the next fiscal year contains an item making $100,000.00 immediately available for further engineering investigations on the Colorado River by the United States Reclamation Service. Is it your intention to expend any part of this sum in ascertaining the depth to bed rock and in obtaining

other information relative to Glen Canyon dam site?

Answer 18. It has been our intention to undertake the drilling of the Glen Canyon site and push it to comclusion next winter, beginning as soon as the subsidence of the summer floods will permit. If, however, the work of the Southern California Edison Co., now under way at this site, results in satisfactory development of foundation conidtions, it will not be necessary for the Reclamation Service to put in a drill outfit there."

The following is quoted from "(Public Doc. No. 395—67th Congress) Secondary requests: For cooperation and miscellaneous investigations $100,000.00. For the continued investigations of the feasibility of irrigation, water storage, and related problems on the Colorado River, and investigation of water sources of said river, $100,000.00."

It is clear the government is not now ready and will not be ready for at least two years to recommend a dam site for the first development, and to recommend a comprehensive plan for Colorado River development as a whole, much less is the government ready to finance projects on the river. The government and the states do not need a compact for some time. The major argument of the proponents of the compact vanishes in the light of facts.

Do private interests seeking Colorado River power need a compact at once? Perhaps so, but let us find out all about them. Let them lay their cards on the table. Arizona has her cards on the table face up. Let some one in authority speak for the private interests. Let us have reliable facts instead of suggestions, innuendoes, mystery. The Colorado is too powerful to be suppressed.

TRUTH MUST BE TOLD.

Before the first dam is built we shall have the truth. Let us have the truth now. Away with subtle intrigue. Let the State of Arizona exercise the majesty of its sovereignty and demand the truth. Then we shall make progress.

The assertions of the proponents to the effect that if the plain compact be approved by the Legislature at this session, then the Colorado will be dammed soon, are unwarranted. Such assertions rest on shifting sands.

Where are the men in this chamber who will shirk the responsibility of exercising the power of the state to demand the truth, the power delegated to them by the electorate?

From the facts that come without seeking, any observer may make deductions as to the relations of the compact, if ratified, to private interests seeking power on the Colorado River.

DIAMOND CREEK FINANCING.

The Diamond Creek permit is the only license issued by the State for the development of power on the Colorado River. It was issued to Girand, but was transferred to a company admittedly financed by General John C. Greenway, Dr. D. L. Ricketts and other directors of the mining group. About $100,000.00 has been expended in exploration work at the dam site. Boast is made that funds are available as soon as the Federal Power Commission license is obtained; $40,000,000.00 is required for the initial investment. The individuals mentioned cannot supply the required funds, nor can the mining corporations they represent supply the funds. There is only one possible source out of which

these funds can come, namely, out of the power trust banks and trust companies.

THE POWER TRUST IS BEHIND THE DIAMOND CREEK PROJECT.

It is reported that Gen. Greenway has announced publicly that he is in favor of the adoption of the Colorado River Compact, without amendments, by the Legislature of the State of Arizona, and that he fears the reservations adopted will interfere with and delay the Federal Power Commission, permit for the construction of the Diamond Creek dam in which he is interested.

A telegram from L. D. Ricketts was published in the Phoenix Republican under date, February 14, 1923, as follows:

"The following telegram in relation to the compact was received yesterday from Dr. L. D. Ricketts who is now in the east; February 14, 1923. If the Legislature places limitations on the Colorado River Compact, it virtually disapproves the pact. I believe the plan included in the pact is a constructive plan and marks a distinct advance, and I believe that the measure should be ratified as proposed in the pact and in the same form as it has already been ratified by the other states."

Is it likely that these two men advocate the adoption of the compact at their own financial loss? From the facts, we can come to only one conclusion, viz., that the ratification of the compact is for the best interests of privately owned and controlled power at Diamond Creek, and it follows that the compact is designed for the best interests of the Power Trust in their proposed development of Colorado River projects—a conviction entirely inconsistent with the propaganda carried in the principal dailies of the state to the effect that the power trust is opposed to the ratification of the Colorado River Compact. We must believe that this press propaganda is put out in the hope of "pulling the wool" over the eyes of the public in this perverted manner, using the prevailing prejudice against the power trust in moulding public opinion into favoring the ratification of the compact. Another press lie is nailed down by facts.

THE PRESS.

Having for the moment before us the subject of press propaganda and still seeking light as to the best arguments of the proponents of the compact, we may be pardoned for utilizing the time necessary to the study of an editorial appearing in the Arizona Republican of February 16, 1923, and no doubt born in the highest intellectual inspiration called forth by the colossal calamity to Arizona as pictured in the news columns of the same date, reporting the action of the House of Representatives of the Legislature of Arizona in adopting the compact with insurmountable amendments. The editorial follows:

"It is sorrowful sometimes to hear grown men—physically grown men—try to indulge in the unwonted exercise of reasoning. We were reminded of that again yesterday in the comparatively few remarks which were made by those who were giving their reasons why they were opposing the striking off of the reservations from the Colorado River Pact.

Parrot-like—whoever taught it to them must some time have something on his conscience—they declared that the ywere doing what they could to prevent the sacrifice of Arizona's rights and the rights of unborn children by acceding to the bare pact. What in the name of high heaven could they sacrifice? What right have they in the river that would be surrendered or could be surrendered under this or any other pact that might be formed?

Do they not know that the compact proposed to give them rights; establish their rights immediately without any action ordinarily required to perfect rights, to three times as much water as the state can claim? Do they not know that we have no right to any of the water except what we are now using and that we can have no right to any more except as we can use it? So, what right of ours was threatened by the pact?

More absurd even than this declaration of a non-existent right was the attempted dictation of the United States in the matter of negotiations with another nation.

The whole thing was calculated to make the gods laugh till they wept."

We surmise, under the stress of impending calamity, the great daily focused within this composite editorial, all the mass pro-pact propaganda in one electric bolt designed to leave all anti-pact arguments scorched and dissipated.

It is not for the intellects of average men and women to fathom the logic of this editorial. Rather it is for common folk to follow blindly. There is not a studious strain recognizable in the super-human author for if there were we should understand his thoughts.

We are still searching for common sense logic from the pro-pact press of this state, and from individual proponents of the compact.

FORMATION AND FINANCE OF THE COLORADO RIVER COMMISSION.

By the act of the Arizona Legislature, March 5, 1921, the then Governor, Campbell, appointed Water Commissioner Norviel as the Arizona Commissioner of the Colorado Commission. At the same time $25,000.00 was appropriated by the Legislature to meet the expenses of the necessary investigations.

Also six other states about the same time appointed commissioners to the Colorado River Commission and each state appropriated $25,000.00 for expenses, making a total from the seven states of $175,000.00 all available for investigations of all subjects and factors in connection with the proposal to attempt an adjustment of differences which had theretofore arisen between the seven states in respect to the development of the Colorado River.

By act of Congress, August 19, 1921, Mr. Hoover was appointed as chairman of the Colorado River Commission and to take his position as the eighth member. At the same time the Government appropriated $10,000.00 for his expenses, thus making a grand total of $185,000.00 available for research and investigation in connection with the proposal.

LACK OF INFORMATION.

In view of the vailability of this most adequate sum of money for investigations, it is quite remarkable that there is very inadequate evidence at hand in the form of records and reports indicating what work has been done, and it is strange that the Commissioner representing Arizona on the Colorado River Commission recommends the passage of the Colorado River Compact by the Legislature of Arizona without submitting with his recommendation tanglible record reports showing upon what basis he rested his judgment in signing the Colorado River Compact. Shall we take his word for all?

There was available sufficient funds between the seven states to

have printed a summary of the main facts from each state, facts upon which the members of the Commission, we surmise, based their conclusions in drawing the Colorado River Compact. It is reasonable indeed upon the part of the State Legislature of Arizona to expect a printed record making clear the main facts herein referred to.

MEETING OF COMMISSIONERS.

After all of the commissioners had been appointed, they met in Washington, D. C., in February, 1922, in conference upon Colorado River matters. Full record reports have not been given out in respect to the proceeding of this meeting; however, we can only conjecture that at the Washington meeting the broad plans for the proposed pact were laid out.

In March and April of 1922, a series of public hearings were held in the Southwest. The first meeting being held at Phoenix, Arizona, the next meeting at Los Angeles, California, and other meetings in Utah and Colorado.

At the Phoenix meeting, for the first time, the public learned that the commission had decided to confine the proposed compact to the distribution of the waters of the Colorado River between the various states interested and that the question of hydro-electric power was not to be considered in the compact. This decision of the Commission was perplexing and created great confusion at the hearings, and members of the commission repeatedly warned the representatives of the public appearing before them that the discussions must be confined to the distributions of water and that power must be left out. But the power trust representatives sat by at each meeting.

Inasmuch as water and hydro-electric power associated therewith in this case are inseparable; and inasmuch as the hydro-electric power of the Colorado River is of such great importance in the Southewest in connection with the development of the Colorado River, the Commissioners found themselves unable to maintain the line between the two in the discussion. Under these conditions the Commissioners finally abandoned the attempt to confine the public speakers to the distribution of the waters of the Colorado River and without discussing power. The deliberations resolved themselves into full discussions of both water and power.

I will make reference to this phase later.

After making the circuit of the Colorado River Basin States, the Commissioners ended the conference and each proceeded to his own state; Mr. Hoover leaving for Washington, D. C.

No further conferences were held by the commissioners until November of the same year, when the Commission met at Santa Fe, New Mexico, for the purpose of drafting a Colorado River Compact.

The meetings in Washington, D. C., of February, 1922, were held under executive sessions, the public being kept out.

The conferences at Santa Fe in November were held under executive sessions and the public was not admitted to the deliberations.

The public knew little or nothing about what was going on in the negotiations between the commissioners of the several states and the United States through the representative of the Government, until the Colorado River Compact had been devised and signed by the commissioners and Mr. Hoover. Thereupon, the compact was submitted to each state involved for ratification by the Legislature, with recommendations for adoption from each and all of the Colorado River Commissioners and from Mr. Hoover.

The compact is considerably involved and it is difficult to understand it. Certain it is that at this time the majority of the six million inhabitants of the seven Colorado River Basin states do not understand the terms of the compact. The bold statement may be made that the Legislators of the several states do not understand the terms of the compact, for if legislators of other states have been sent information involving the basis of the compact as has the Legislature of the State of Arizona, they could not understand the compact. Nevertheless, upon the recommendations of the Commissioners and of Mr. Hoover five of the sister states have ratified the compact. Colorado and Arizona are still considering the measure.

WHY WAS COLORADO RIVER POWER LEFT OUT OF THE COMPACT?

Having before us this outline of the history of the Colorado River Compact, an important question arises as to how and why the question of power was eliminated. Who decided to confine the compact to the distribution of water alone?

If we refer to the act passed by the Legislature of the State of Arizona authorizing the negotiations and naming a Commissioner, and to the act of Congress authorizing the seven states to negotiate a treaty between the seven states and the United States, we fail to find limitations and thus instructions in these acts, confining the deliberations to the distribution of water alone.

The compact, it turns out, is only a partial contract betweeen the seven states and leaves out a most important favtor, power, which deficiency now causes great confusion. In fact, this is an insurmountable objection to the compact.

Perhaps there was justification for the secrecy maintained in the negotiations of the treaty. However, another broad view would be that in consideration of the fact that the United States and seven states were involved in preparing this contract, the most comprehensive yet attempted between a number of the states, we might give expression to the view that more progress would have been made if all meetings had been open to the public, for such open meetings would have tended to eliminate the growing suspicion that there is something mysterious about the elimination from the compact of a most important factor, viz., power.

As we contemplate one feature or another of the Colorado River Compact, we being fully to realize the magnitude of the task involved in writing a fair treaty between seven states and the government, devising principles which will work out satisfactorily in detail for the man on the ground wheresoever he may be within the seven states who will become subject to its provisions. Over one hundred years the doctrine of prior appropriation has been forming and it is still in the formative stage. But look, in the short space of seven months consideration, and during two or three brief joint meetings eight men have the audacity to write a new law to fit seven states and to lay it down over the old laws, admittedly in conflict with the old laws.

What a wonderful opportunity is offered to the power trust. Its engineering and legal technicians have the choice of the old or the new law, or the use of both for harnessing the public in respect to power service and as to distribution of irrigation water.

It is our belief that before a workable compact can be attained, if indeed a compact be deemed necessary, between the seven Colorado River states, we must include the distribution of water, the general and specific

plan of developing the Colorado River with an understanding as to which project shall be built first and the sequence of projects thereafter, flood control, and not the least—power. If all of these were included in the treaty we should be able to understand the Colorado River Compact.

Even at this late date, it would be interesting and instructive and it would satisfy the mind of the public to have before it the full transcript of the negotiations and acts of the executive sessions held by the Colorado River Commission.

AS IT STANDS NOW, IN PASSING UPON THE PRESENT COLORADO RIVER COMPACT, WE COME TO THE CONCLUSIONS:

That the Colorado River Compact as submitted to the Legislature of Arizona, is only a partial inadequate compact and very confusing.

That the Act of the Congress of the United States, approved August 19, 1922, and authorizing the seven states of the Southwest to form a compact between them, and the act of the Legislature of the State of Arizona were broad and permitted including in the compact the distribution of water, the selection of dam sites, the plan of deveolping power, the full contractual relationship of California, Arizona and Nevada, and that all of these should have been included.

That the compact as written will augment rather than minimize controversies and litigation.

That paragraph (b), Article III, expresses a trade as explained by the Arizona Commissioner, Arizona having turned into the "Colorado System" the water from all of its drainage systems in lieu of 1,000,000 acre feet increase per annum, as measured at Lee's Ferry and allotted to the Lower Basin (not Arizona), and the question is raised whether Arizona will ever secure any of such increase of water allotted to the Lower Basin.

That there is no provision in the compact for precaution in locations of dams in the river to the end that large agricultural acreages in western Arizona may be irrigated in the future.

That Article III creates definite and excessive Mexican land water rights, through the approval of seven states and the United States Government, and that such rights will immediately establish satisfactory sales value for certain American owned Mexican lands, permitting forthwith sales and transfers of such lands to foreign people, all of which will lead into embarrassing controversies between the United States and foreign countries in the future.

That paragraph (b) and (c), Article IV, have been violated by one who as commissioner signed the Colorado River Compact at Santa Fe, and who as water commissioner of Arizona, signed the permit authorizing the development of the Colorado River power at Diamond Creek because: The Diamond Creek site has no reservoir capacity for flood protection, nor for regulating the flow of the Colorado River water to meet irrigation needs; the power from the Diamond Creek, first in the field, will supply the power requirements in regions of Arizona and California, thereby removing the basis of financing and making impossible, the construction of other dams on the Colorado River, or on other Arizona rivers, to meet demands of flood control and irrigation by interests other than the owners of the Diamond Creek Power, which means the Colorado River will pass into a monopoly.

That who controls a first power plant on Diamond Creek, controls four million horse power with Arizona ultimately having capitalized

values reaching into billions of dollars, controls expansion of irrigation within the seven states and Mexico, and must be appealed to for flood control. Those who doubt this should study the history of the power trust in California.

That Arizona must first remove the Diamond Creek impediment before this state can ratify the compact in good faith.

That the Colorado River Compact in effect clears the way for the power trust to gain exclusive possession of the power of the Colorado River without meddlesome interference of states. The Colorado River Compact becomes in reality good collateral for the power trust in financing Colorado River power projects. That Diamond Creek rights are, or will be, owned by the power trust.

That what is recommended in Articles V, VI and VII can be performed without a compact. In fact, no seven states compact is needed.

That Article VIII is confusing to the extent that no one can understand its provisions.

That Article IX spells litigation.

That it is proposed 5,000,000 people of seven states shall agree upon a treaty between themselves about shifting and exchanging large parts of property values running into the billions of dollars without having the necessary facts before them and without understanding the terms of the compact. Not even the legislators of the several states understand the terms of the compact because the terms cannot be understood. Before any compact can become effective, it must be understood by the people.

That the Colorado River Compact is conflicting in its terms and confusing and full of dynamite, nad that the Legislature of the State of Arizona should not ratify it, thereby avoiding entering upon a destructive policy, and leaving Arizona free to proceed in constructive work.

That the Legislature of the State of Arizona should not ratify in any form the Colorado River Compact now before it for consideration.

That public common sense will in due time make selection of the site for a first dam on the Colorado, and that when a specific project is settled upon, if necessary, our sister states will join our state in conference and settle all specific questions involved. It will not be necessary to disturb the old doctrine of prior appropriation.

Mr. Chairman:

In conclusion I desire to say that this question is not to be decided lightly. What action we take here will affect countless millions in the years to come. We must protect the heritage of the people not only of this generation but for all time. This is not a question of persons but of principle, and principles are eternal. I would rather go down to eternal oblivion than to vote for this compact believing as I do that the rights of our people are not fully protected by it. I would be false to those who have elected me as their representative, were I to throw away lightly their rights by any hasty or ill-considered action, and therefore before voting to jeopardize what I consider rightfully belongs to the people of this State I shall oppose the ratification of the pact until such time as we are assured that it is for their safety and welfare.

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