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Statement Relative to Power Policy
of the Department of the Interior

The high standard of living of its citizens and the success of the industrial might of the United States depends today in a large measure on a plentiful supply of low-cost electric energy for all consumers throughout the land. The Department of the Interior is especially aware of this fact since it is the marketing agent for a great deal of the energy produced at federally owned plants. Thus, the Department's policy in carrying out this function is of great importance to both the consumers of energy and to the taxpayers. For this reason a departmental basic power policy has been developed. It is simple and it is fair to all. It is based fundamentally upon the various acts of Congress that have become the law of the land over the last 50 years.

It recognizes, of course, that the paramount requirements of national defense may at any time dictate variations and under such circumstances the Department will always be prepared to adjust to the emergency.

This power policy fully recognizes and protects the preference customers---public bodies and cooperatives---and proposes to set rates just as low as possible without unjustified charges against the taxpayer.

The policy of the present Administration is to actively encourage the development of the natural resources of the country. This will involve a partnership of the States and local communities, private citizens, and the Federal Government, all working together. It is not a policy of monopoly by any one of these parties. In fact, the job to be done is so tremendous that it will require the very active efforts of all of the parties if the Nation is to be kept abreast of its needs.

Insofar as water resource development is concerned, it is expected that the Federal Government will undertake the large multiple-purpose projects that for one reason or another are not within the capacity of the other members of the partnership.

The Administration has already moved forward in line with the new power policy of the Department of the Interior. For example, of the total Bureau of Reclamation construction program of \$174,000,000 for the present fiscal year, more than one-third, some \$63,400,000, will be spent on hydroelectric power development and distribution facilities or on construction of multiple-purpose dams which will have power production as a major function.

In all cases the Department has recommended that appropriations be for as much money as can be used to continue work at the most economical rate of construction. The new transmission line program is such that in combination with various wheeling agreements facilities will be available to transmit all power from Reclamation or Army Engineers hydroelectric plants now under construction as soon as they are placed in operation.

Notable in the construction schedule for this year is the start of installation of the seventeenth and final generator at Hoover Dam. This new generator will be the largest at the dam with a capacity of 104,500 kw. and will greatly improve the peaking capacity of the Hoover Dam plant.

In addition to construction for hydroelectric production purposes the Bureau of Reclamation is this year initiating work on two major irrigation developments, both of which have the full support of the new Administration. A \$7,682,991 contract has just been let for the Monticello Dam which will turn destructive flood water to useful consumption by irrigation and domestic use in several communities in Napa County, California.

An initial appropriation of \$1,000,000 was made by Congress to initiate work on the Sacramento Canals projects which has been incorporated into the Central Valley Project in California.

In the planning of further water resource development work the Department of the Interior recently recommended to the Congress the authorization of the Frying Pan-Arkansas Project in Colorado which will have seven power plants with a total installed capacity of 104,800 kw.

A supplemental report on the San Luis Valley Project, also in Colorado, which will call for the installation of a 50,000 kw. power plant has been approved by the Department of the Interior and forwarded to the affected States for their comment preliminary to submission of the report to the Congress.

The Administration made a strong representation to the Congress for funds for the planning of further water resource projects, most of which involve hydro-electric power features. As a result, the Congress has just appropriated \$3,000,000 to the Bureau of Reclamation for these investigations during the current fiscal year. This will permit investigation work to proceed in an orderly fashion to provide an inventory of projects for further construction.

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