

TRUSTEES

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(COPY)

A. J. SPLAWN, PRES.
H. M. GILBERT, VICE-PRES.
R. H. WARNICK, SEC.

OFFICE

Tieton Water Users Association

WARD BUILDING

North Yakima, Wash., January 12, 1912.

TO THE HONORABLE
THE SECRETARY OF THE INTERIOR,
WASHINGTON, D. C.

(Through Supervising Engineer, U. S. Reclamation Service.)

Sir:

The Tieton Water Users Association has received with extreme approval the report made by you and presented to Congress upon the subject of the irrigated lands, particularly as there was pending with the Trustees a petition of settlers that the Association take action looking toward a modification in the plan of payment upon the Tieton Project.

Upon both the subjects of deferred residence and graduated payments of reclamation charges, your recommendation is sound and of the utmost importance to this Project.

Our serious problem now is development, and the only difficulty in our way is finances. Water has been available for one season only on a portion of the Tieton Project, but the development upon that portion has been remarkable. Nearly all the land, however, has been set to fruit. Upon this acreage little if any return can be anticipated for five (5) years, for the ground crops, under most favorable circumstances, are not dependable. The first season gave great promise that potatoes, for instance, would materially assist. The crop was large, the prices high, but an early freeze destroyed tons of potatoes still in the ground, and many families on the first unit of the Tieton are in financial straits this winter, with little prospect of meeting a payment of \$10.00 an acre on their land in April.

This condition will increase in seriousness a second year, and the Reclamation service and your office must agree with us that mutual co-operation must be had if successful development of the Project is accomplished.

This Association has already, under date of February 3, 1911, submitted to you a petition relative to residence requirements upon private lands. If Congress sees fit to modify this restriction an immense impetus will be given to the development of our Project.

We also now desire to request a conditional modification in terms of payment. We believe that any support or aid given to the actual settler and the bona fide home builder is justified. We are requesting support and aid ONLY for such individuals.

We request that the present public notice, or future public notices on the Tieton Project fix the payment of the building charges in not to exceed ten equal annual installments, with a proviso that upon a showing of bona fide cultivation and reclamation, which showing shall be approved by the engineer of the United States Reclamation Service in charge of the project, such land owner shall have the option of paying the building charge, exclusive of maintenance, as follows: The first four payments at the rate of \$2.80 per acre per year; the fifth and sixth payments at the rate of \$9.30 per acre per annum, and the last four payments in annual installments of \$15.80 each.

The contract between this Association and the Secretary of the Interior is so worded that this change can be made by regulation, without further legal formality.

We believe that this request is supported in reason and in justice.

1st. It will be an added incentive to cultivation and development of our Project.

2nd. The actual saving during the first four years will materially assist in the financing of such development.

3rd. It will bring more land under cultivation, assisting and making more effective and less expensive the operation of sub-laterals, as well as insuring larger annual returns to the maintenance and operation fund of the Government.

4th. It relieves the financial load during the years when the land is unproductive, and without deferring payment, permits the settler to pay with the revenue from the land.

5th. It is founded upon reason rather than upon an arbitrary mathematical basis.

6th. It tends to make unprofitable the holding of land for speculation, and, with all due respect to former administrations, if adopted, this ruling will be the first upon our Project which will effectively deal a square blow to speculators.

7th. It is founded in justice, for it gives consideration where consideration is due. The actual home builder must have water. In order to get water he must pay the charges due. The speculator does not need water and can hold the land indefinitely without payment of principal or interest. We favor making the burden so light upon the home builder that he will carry it easily, but so heavy upon the speculator that he will immediately develop or sell.

8th. It encourages the main purpose of the Government—the cultivation of the land.

The reasons for the change would be applicable to any Project. They are peculiarly so to the Tieton Project. The one underlying excuse for the Tieton Project at its high acre cost is that nearly all of it is adapted to fruit growing, particularly winter apples. It was urged, when the Project was taken up, in answer to the criticism that the land would not stand the high estimated cost of \$50 per acre. It has since been urged to support the actual construction cost of \$108 per acre. And it is true. It is now urged with redoubled force to support the request here made.

No definite income from over 80% of this Project can be depended upon from year to year during the first five years. Ground crops are not dependable, and in successful years, when grown with proper regard to trees, would scarcely furnish a living to a family on an average size tract in the Tieton.

The high per acre cost of this Project, the low acreage holding, the fact that it is orchard land and is being developed as such, demand, in the absence of any adverse reason, that the change be made.

There is one reason, and only one, that has caused this Association to hesitate in advancing this request. We have felt, and still feel, that our Project is one of the best yet undertaken by the Government. We have asked few favors, and have boasted that we would not ask any modification in the plan of

payment, but would meet our obligations as they fell due. Our Project cost has been increased, however, from \$1,250,000, as estimated at the time this Association was formed, to \$3,500,000, actual construction cost. The acreage has been increased from 24,000 to 35,000 acres. To develop, bring orchards into bearing and to pay for this water right, will require expenditures of \$7,000,000. The development cost of \$100 per acre, either in labor or cash, is a conservative estimate and must be expended during the first five years. With the Government payments as now required, nearly \$5,000,000 of the \$7,000,000 will be required of the land owners during the first five years, while their land is unproductive.

The expenditures for development MUST be made now. If the bulk of the water charges can be deferred to the latter end of the ten year period, it will make more nearly an equal annual adjustment of the obligations upon the land owners, and will enable them to meet these larger cash payments with the actual returns from the land.

With this situation confronting this Association, we are forced, unpleasant as it is, to overcome our pride and face this problem squarely. It is a duty we owe to ourselves and to the Government, for in our firm belief the step will make more sure the successful development of our Project.

Respectfully,

A. J. SPLAWN,
H. M. GILBERT,
W. I. HUXTABLE,
W. L. LEMON,
F. J. WILCOX,
Trustees.