

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

SPECIAL MEMORANDUM

April 1, 1940

LANDS OF THE COLUMBIA BASIN PROJECT

Among the purposes of building the Grand Coulee Dam is the irrigation of 1,200,000 acres of semi-arid land in central Washington. Although the dam itself may be completed in 1942, the construction of irrigation works cannot be undertaken until a number of preliminary steps have been carried out, so water will not be available anywhere on the project for three or four years. It is not likely that canals and other irrigation facilities will be extended over the entire project within twenty-five years.

WHO OWNS THE LAND NOW?

The land to be irrigated from the Grand Coulee Dam is owned chiefly by individuals, corporations, counties, and the State of Washington. Prospective settlers on the Columbia Basin Project must buy their land from such owners, or from such agencies, if any, as may be provided to acquire lands for resale to settlers as development progresses. The small percentage of Government land on the project is not, at present, open to homestead entry.

THE "ANTI-SPECULATION" LAW

Prospective buyers of land on the project should familiarize themselves with the provisions of the important "Anti-Speculation" Law. Its purposes are to protect settlers from speculative land prices, and to provide opportunities for many farm homes by limiting land ownership to specified maximum areas. Some of its important provisions are discussed here, and the act itself is quoted in full at the end of this memorandum. The law does not deprive any landowner of any of his rights to buy or sell land freely and at any price; but it does provide that water from the project canals will not be available for use on any land unless the owner thereof, as a member of an irrigation district, contracts with the Government to comply with the provisions of the act. In other words, if a landowner wishes to obtain water from the Columbia Basin Reclamation Project with which to irrigate his land, he must agree with the Government to make certain payments and do certain other specified things in exchange for water and service.

HOLDINGS AND PRICES LIMITED

Two of the most important provisions of contracts under the act are that the landowner entering into the contract must agree to sell to settlers all of his land in excess of a specified maximum, which he may keep for his own use,

and that he must agree to sell it at its "non-irrigated", current value, as appraised by a disinterested board appointed by the Secretary of the Interior. Another important provision is that no beneficiary of the project may hold land in excess of some specified maximum area.

One owner may hold forty acres of irrigable land. A husband and wife may hold eighty. No water will be available to land not covered by an agreement to comply with the provisions of the Anti-Speculation Act.

PRICES BASED ON NON-IRRIGATED VALUE

"The.....lands proposed to be irrigated.....shall" be "impartially appraised in a manner and to the extent prescribed by the Secretary of the Interior for the determination of their value at the date of appraisal without reference to the proposed construction of the said irrigation works and without increment on account of the prospect of the construction of the said project". The valuation is to be based on the earning power of the land as indicated by its character and past use, not on the prospect of its being made highly productive by irrigation. Useful improvements will be included in the valuation. Cleared land, and land suitable for successful dry farming will be appraised higher than uncleared desert land of like topography and soil.

INFORMATION WITH RESPECT TO SPECIFIC PARCELS OF LAND MAY BE OBTAINED

Soil surveys and classifications, and appraisals of the lands mentioned herein are already under way, and the information resulting from these studies will be available to prospective land buyers and others at no cost except for such maps as the applicant may wish to obtain. This information may be procured, as records are completed, from the office of the Bureau of Reclamation at Coulee Dam, Washington, and the offices of the irrigation districts embracing the lands in question. It is not expected that surveys and investigation of the entire project area will be completed prior to the fall of 1941, and, for that reason, complete information will not be available for some time thereafter.

"EXCESS LAND" TO GET NO WATER WHILE IN THAT STATUS

"All irrigable land held in private ownership by any one owner in excess of forty irrigable acres" (eighty acres for a husband and his wife) "shall be designated as excess land and as such shall not be entitled to receive water from said project", and "no owner of such excess lands.....shall receive water therefrom for any part of the lands owned by him if and so long as he shall refuse to sell any excess lands owned or held by him, under terms and conditions satisfactory to the Secretary of the Interior and at prices fixed in the appraisals made and approved as" provided by the act.

OWNERS MUST SELL "EXCESS LAND"

To insure the carrying out of this provision by landowners, who are parties to the contract with the Government, the Secretary of the Interior may require each owner of excess land to execute, before delivering water to him, a valid recordable contract wherein he shall agree to dispose of excess holdings, then

and thereafter owned by him, in the manner provided in the act, and to confer upon the Secretary an irrevocable power of attorney to make any such sale on his behalf.

"EXCESS LAND" TO BE SOLD ONLY AT NON-IRRIGATED VALUE

If a landowner sells excess land at a price above its appraised value, two serious consequences ensue. The vendor will not be able to obtain water for the land which he is entitled to retain for his own use, and the purchaser will not be able to procure water for the land he bought.

OTHER LAND MAY BE SOLD AT HIGHER PRICES

Land which was not originally excess land may be sold, and excess land after being sold at the appraised value by the original owner may be resold at prices above the appraised value of land and improvements, and the right to receive water will not be lost if there is paid to the Government a specified part of the difference between the appraised value and the selling price. Any such money collected by the Government will be credited to the land against the last payments that are to fall due for its share of the construction costs of the irrigation system. Thus the purchaser of the land recovers a part of the enhanced price of the land in the form of reduced future liabilities.

PART OF EXCESS PRICE GOES TO GOVERNMENT

The law provides that, before the new owner of land, which has been bought for more than the appraised value of land and improvements, shall be entitled to receive water from the project, there must be paid to the United States half of the excess of the selling price over the appraised value, if payment is made within a month after the sale. If payment is delayed, the portion to be paid to the Government is increased by one per cent of the excess of the sale price over the appraised value for each month of delay. That is, if payment is made more than 49 but less than 50 months after the sale, 99 per cent of the excess must go to the Government; and if payment is delayed 50 months or more, the whole of the excess charge shall go to the United States. All payments made to the Government under this section of the act are credited to the construction costs chargeable against the land.

LANDOWNERS MUST ORGANIZE IRRIGATION DISTRICTS

Owners who desire to irrigate their land with water from the Grand Coulee Dam must enter into a contract with the Government, not as individuals but as members of an irrigation or reclamation district organized under the laws of the State of Washington. Three irrigation districts, covering the entire project area, have been organized.

The contract between the Government and the districts shall provide, among other things, "for payment by the district or districts of that part of the cost of construction of the project allocated by the Secretary of the Interior as the part thereof properly chargeable to irrigation". Repayment will be made in installments, without interest, over a period probably not to exceed 40 years,

following any development period which the Secretary of the Interior may fix, to intervene between the first delivery of water and first construction payment.

SUMMARY OF THE ANTI-SPECULATION ACT

The principal provisions of the anti-speculation act are (1) that privately owned lands within the area to be served with water from the Grand Coulee Dam be impartially appraised to determine their market value without reference to the proposed irrigation works; (2) that contracts for the repayment of the part of the cost of the project allocated by the Secretary of the Interior to irrigation, and for other purposes, be made by the Government with an irrigation district or with irrigation districts formed by the landowners; (3) that landowners agree to limit their holdings of irrigable land to 40 acres for an individual or 80 acres for a man and wife; (4) that landowners agree to sell lands held in excess of these limitations at the Government-appraised price; (5) that in the event excess lands are sold at higher prices or are retained, no water shall be delivered to the lands involved; and (6) that water may be obtained for lands which were purchased at prices above the Government appraisal, unless they were excess lands so purchased, upon payment to the Government of a portion of the excess price, varying from 50 per cent to 100 per cent, depending upon the length of time which has elapsed since the sale, this money to be applied in inverse order to the payment of construction charges against the land. Conditions under which water can be obtained for any tract of land run with the land as part of any title to it.

WHEN WILL WATER BE AVAILABLE?

When water will be available in any area cannot be predicted accurately. It depends upon a great number and variety of conditions. Among them are the rate at which funds for the completion of the Grand Coulee Dam may be made available by Congress, the promptness with which the irrigation districts enter into a repayment contract with the Government, and the rate at which Congress appropriates funds for constructing irrigation works.

No federal funds may be expended in constructing irrigation works on the Columbia Basin Project until the irrigation districts have entered into a contract with the Government in compliance with the federal irrigation laws and the Anti-speculation Act. Even with expeditious action, water will not reach any of the land before 1943 or 1944.

SETTLEMENT AND USE OF LAND

Before water reaches the land, prospective settlers will be able to obtain comprehensive information which will aid them in establishing successful farms. Such information will result from studies, known as Joint Investigations, begun in 1939 under the direction of the Bureau of Reclamation by experts of that Bureau, the Department of Agriculture and numerous other federal agencies, the State College and the University of Washington, the State Department of Conservation and Development, National, Regional and State Planning Boards, Commissions, and Councils, and a large number of other State and local agencies.

The fields covered are too numerous to mention, but the investigations include studies of land clearing and grading, irrigating methods, adaptability of crops and livestock, farmstead arrangements, low-cost farm buildings, capital requirements and management, and many other matters bearing on farm development and operation, as well as studies of community problems such as highways, electrical services, water supplies, town locations, and educational and recreational facilities.

THE ANTI-SPECULATION ACT IS AS FOLLOWS:

"AN ACT

"To prevent speculation in lands in the Columbia Basin prospectively irrigable by reason of the construction of the Grand Coulee Dam project and to aid actual settlers in securing such lands at the fair appraised value thereof as arid land, and for other purposes.

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no part of the funds heretofore or hereafter appropriated or allotted for the construction of the Grand Coulee Dam project (authorized by section 2 of the Act of August 30, 1935, 49 Stat. 1028, 1039, entitled 'An Act authorizing the construction, repair, and preservation of certain public works on rivers and harbors and for other purposes', and by the Act of June 22, 1936, 49 Stat. 1757, 1784, entitled 'An Act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1937, and for other purposes') or for the reclamation of land in connection with said project shall be expended in the construction of any irrigation feature of said project, exclusive of Grand Coulee Dam and appurtenant works now under construction, until after the following provisions have been complied with:

"(a) The privately owned lands proposed to be irrigated under said project (including county lands and such State lands as the State may desire and be able to subscribe for irrigation under said project and to subject to the terms of this Act) shall have been impartially appraised in a manner and to the extent prescribed by the Secretary of the Interior for the determination of their value at the date of appraisal without reference to the proposed construction of the said irrigation works and without increment on account of the prospect of the construction of the said project.

"(b) A contract or contracts shall have been made with an irrigation or reclamation district or districts organized under State law providing for payment by the district or districts of that part of the cost of construction of the project allocated by the Secretary of the Interior as the part thereof properly chargeable to irrigation, the said cost of construction to be repaid within such term or terms of years as the Secretary shall find to be necessary, not to exceed the maximum term permitted under the Federal reclamation laws, the payments to be made in the manner and subject to the terms and conditions provided in the said reclamation laws and subject to enforcement by all of the means and remedies provided in the Reclamation Act of June 17, 1902 (32 Stat. 388), and Acts supplementary thereto or amendatory thereof: Provided, That

every such contract with any district shall further require that all irrigable land held in private ownership by any one owner in excess of forty irrigable acres and all county and State lands which may be subscribed to or irrigated under the said project shall be designated as excess land and as such shall not be entitled to receive water from said project. The contract shall provide further that no owner of such excess lands in the said project shall receive water therefrom for any part of the lands owned by him if and so long as he shall refuse to sell any excess lands owned or held by him under terms and conditions satisfactory to the Secretary of the Interior and at prices fixed in the appraisals made and approved as hereinabove provided. The Secretary of the Interior may require each landowner, as a condition precedent to receiving water from the said irrigation works, to execute a valid recordable contract wherein he shall agree to dispose of excess holdings then or thereafter owned by him in the manner provided in this Act and in the contract between his district and the United States, and wherein the said landowner also shall confer upon the Secretary of the Interior an irrevocable power of attorney to make any such sale on his behalf. For the purpose of determining excess lands under the provisions of this Act husband and wife shall be considered separate persons and each may hold not to exceed forty irrigable acres as nonexcess lands or husband and wife together may hold eighty irrigable acres of community property as such nonexcess lands: Provided further, That as to any part of the irrigable lands of the said project for which the Secretary of the Interior shall determine that farm units of less than forty irrigable acres would be sufficient to support a family, he may approve and cause to be filed farm unit plats establishing farm units of less than forty acres but not less than ten acres and in that event all lands held in any one ownership in excess of one farm unit as shown on such plat shall be considered excess lands subject to the provisions of this Act applicable to excess lands: Provided further, That in addition to the foregoing provisions, every such contract with any district shall also provide, with respect to all irrigable lands whether initially excess or nonexcess, that whenever any land is sold at a price in excess of the sum of the appraised value of the arid land, the appraised value of improvements made thereon after the date of the original appraisal, and the amount of irrigation construction costs actually paid for that land, then, before the new owner shall be entitled to receive water from the project, a proportionate part of the said excess or incremented value shall be paid to the United States as follows: If such payment is made to the United States more than fifty months after such sale at an excessive price has been made, then as a prerequisite to the right to receive water all of the incremented value shall be paid to the United States to apply on construction installments to come due on such land in inverse order of their accrual; if payment is made in less than fifty months but more than forty-nine months after the date of such sale, then 99 per centum of such incremented value or excess of sale price shall be thus paid and applied; if payment is made in less than forty-nine but more than forty-eight months after the date of such sale, then 98 per centum of such incremented value or excess of sale price shall be thus paid and applied, and so on for earlier payment allowing an additional reduction of 1 per centum for each month, so that in the event that such payment is made to the United States within one month after the date of such sale, then the percentage of the incremented value required to be paid to the United States for application to construction costs as a prerequisite to the right to receive water shall be 50 per centum thereof: Provided further, That

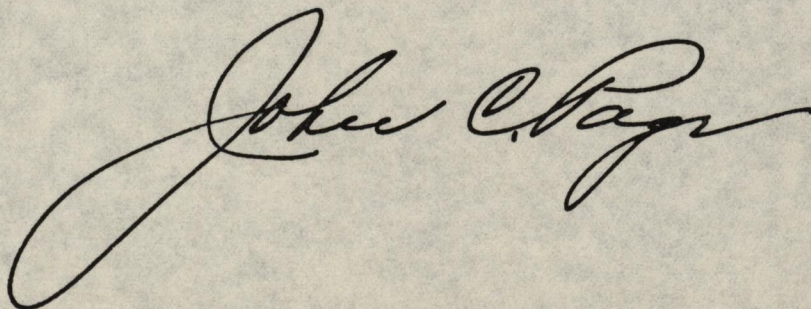
each district contract may include a provision which, subject to authorization and validation thereof by the State of Washington, shall require that all irrigable lands which are allowed by the owners thereof without objection to remain in such district until after the judicial confirmation of the organization of the district and of the regularity and validity of said contract and the proceedings authorizing it shall be considered as automatically subjected to the provisions of the excess land clauses and incremented value clauses hereinbefore provided for, such obligation to be impressed on the title to the land and to be considered equivalent to a covenant running with the land. The said provision, however, shall not apply to any landowner who, prior to the entry of the judicial decree of confirmation, shall file with the district and duly record as an instrument affecting title to his land, a notice of his objection to the said obligation and of his renunciation of the right of the said land to receive water through, from, or by means of any works constructed by the United States in connection with such project: And provided further, That the foregoing four provisos shall not apply to any lands in the State of Washington which have already been developed and are now being cultivated with the aid of water from sources other than the said Grand Coulee project and for which additional water may be desired.

"(c) The State of Washington by appropriate legislation shall have authorized, adopted, ratified, and consented to all the provisions of this Act insofar as such provisions or any of them, in whole or in part, may come within the scope of State jurisdiction or authority or be applicable to State lands.

"Sec. 2. The Secretary of the Interior is authorized to use not to exceed \$350,000 of the funds hereafter appropriated or allotted for the fiscal year 1938 for the said project for the purpose of the survey, investigation, and appraisal of the irrigable lands of the said project and for surveys, investigations, plans, and designs for the irrigation works therefor.

"Sec. 3. The Secretary of the Interior is authorized to make such rules and regulations and to include in the contracts hereinbefore provided for such provisions as may be appropriate and useful for the purpose of carrying out the purpose and provisions of this Act.

"Sec. 4. The consent of the United States is hereby given to the sale of school lands and any other public lands of the State of Washington which may be included in any irrigation or reclamation project to which this Act is or may be applicable at prices not to exceed the appraised valuation thereof determined as herein provided."

A large, stylized handwritten signature in dark ink, appearing to read "John C. Page". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.