DEPARTMENT OF THE INTERIOR. WASHINGTON. Jan. 16, 1914. Mr. Rollard Whitmore. N. Yakima. Wash. Dear Sir: I am sending you this letter in which I discuss various questions affecting all of our reclaration projects, that you may know the effort that is being made to meet your needs. This letter requires no answer. It covers what appears to me to be some of the more important problems confronting both yourself and the government. The question always before us is, whether or not the United States can successfully conduct a large business enterprise upon business principles without injustice to its citizens and without imposing a too heavy burden upon those with whom it deals. It may be true that hitherto the government has expected too much of water users, and it may be equally true that water users have expected too much of the government. However that may be, there is surely a safe middle ground where neither shall expect too much of the other and where each shall be ready to recognize the other's due on the safe and solid basis of the needs and possibilities of the one and the fair and just compensation of the other; and all this without thought or suggestion of largess or of imposition. I would deal with you as you would deal with another, yielding nothing as charity, but dealing together as men and brothers on the basis of what is reasonable and just. Though there may be some among you who have hoped that eventually the government would not collect its due. I believe that most of you have never entertained a thought of escape from your obligations to the government. I have given many months of close personal study to the problems involved. I have visited you in your homes, in your fields and in your meetings; I have taken counsel and advice of men long in the service, of representative water users, and what follows hereafter is the result of this study, advice and serious consideration. After personal contact with thousands of settlers on our

reclamation projects, I find that we have gathered together from all parts of the United States a class of men and farmer above the average in ability and intelligence; they are generally men of high purpose, resolute, self-dependent and determined. These men are companioned by superior women. I have no sympathy with that view which attributes to you, and to your shortcomings only, whatever in your present situation may be uncomfortable or unpromising.

With the admission that the past conduct of affairs has not been unqualifiedly without error, and that future policies are subject to correction when found erroneous, I think we may fairly proceed upon common ground to reason together to the end that we may now agree as to what, in the light of present knowledge, appears to be just and equitable, as between you and the government.

The Farm Unit.

The most difficult duty imposed upon the Secretary of the Interior is that of determining the "area of land necessary for the support of a family." The law wisely requires this to be done, not only to prevent speculation in lands, but in order that there shall be farms for all who desire them. By law and by tradition 160 acres have been considered necessary for the support of a family in the United States. But land was plentiful when this unit was established, transportation was difficult and conditions of farm life burdensome. Seldom in the pioneer days was a quarter of the 160 acres farmed. There was the woodlot, the pasture and the fallow ground. Even in humid regions good farm practice retired one-half the cultivated area each year for recuperation by summer fallowing. So that 160 acres of land even in the humid prairie regions was equivalent to an annually farmed area of only 80 acres. In wooded countries the labor and cost of clearing and subduing the land was greater than in the desert regions today under irrigation, nor could the acreage subdued in one average man's lifetime equal one-half his holdings. Even today in the States of Wisconsin, Oregon, Washington, California, Alabama, Louisiana, Mississippi and in other Southern States the cost per acre of clearing and grubbing "logged-off" timber lands is greater than the cost of reclaiming desert lands by irrigation. Much of this land is lying idle and unproductive for that reason. Few men would take 160 acres of such land conditioned upon clearing 80 acres and subduing it by cultivation within 10 years' time. So that by every measure of comparison with which I am familiar I can find no justification for a farm

unit greater than 80 acres on any reclamation project, even under the least favorable of climatic conditions. There are hundreds of thousands of citizens willing to take up farm units of 80 acres or less. Every man to whom 160 acres is given deprives some other man of a home.

I must therefore decline to yield to the demand from many quarters to fix farm units at 160 acres of irrigable land. In no case will I approve greater than 80 acres, except where existing contracts with private land owners made previous to my incumbency have been made upon a larger basis. The 80 acre farm unit will be fixed only in those regions where climatic, soil and market conditions make so large an area appear to be necessary, and even in such regions 40-acre tracts lying near to towns or prospective towns are deemed ample for the support of a family.

One great need of agricultural regions is agricultural laborers and artisans. If possible I would establish a few 5 and 10-acre homesteads for such to relieve them of the disadvantages of tenantry and to encourage them to settle in the vicinity of the larger farms. The cost of reclaiming 160 acres by irrigation is too heavy a burden for the average farm family to labor under. Thousands of farmers of modest means now renting eastern lands could be located on these small tracts and could with their labor earn enough to pay reclamation costs and at the same time acquire a home of from 5 to 10 acres. but would probably fail if they attempted to acquire an 80, a 40 or even a 20-acre tract. The man who undertakes to pay the cost of reclaiming 160 acres must needs be a man of large capital to start with. Less is required for 80 and less for 40 acres, so that as the size of the farm unit is reduced, the number of families on the land may be increased, so also is reduced the amount of the capital required of that family to start with, and through larger population making easier many of the problems of pioneering.

In those fertile and hospitable southern regions where the growing season is almost continuous there is no defense whatever for farm units in excess of 40 acres. In California the Little Landers are demonstrating even an acre to be sometimes enough, long ago in the citrus belt men have shown the world that 10 acres is enough. In the Salt River Valley I have recently fixed the farm unit at 40 acres and I am now besieged with demands to reconsider and fix this at 160 or some other

larger unit. I cannot concede the justice of these demands nor the force of the arguments submitted. Forty acres well tilled in the Salt River Valley is larger than I believe to be absolutely necessary for the support of a family. I have conceded 40 acres, but in doing this I feel that I have virtually deprived one or more other families of an opportunity for a home on each 40. If I were to name 160 acres it would virtually be letting one family have land I believe to be sufficient for the support of several families. I believe you would not have done otherwise had you been in my position.

Though I am convinced that the farm unit should not exceed 80 acres on any reclamation project it does not appear to me to be just that entrymen who filed on government lands subject to the Reclamation Act should be compelled to surrender their holdings in excess of the established farm unit without compensation. These men are entitled to consideration on account of the hardships they have endured while waiting for the projects to be opened and for water to be delivered, and each such should be allowed to hold one farm unit and be per -. mitted to dispose of the remainder in such way as to fully remunerate him. But it should be required that, within one year after making proof of residence, cultivation and improvements, as required by the homestead law, or within one year after the farm unit plats have been approved, the entryman should be compelled to sell the excess land in farm units as established, or in parcels of less area. By this means every man who now claims a quarter section could retain 160 acres for one year after successfully making final proof, but if the survey made four farm units of these 160 acres, he should be required within one year to sell three of those units. These irrigated lands are valued at \$20 to \$100 per acre. If sold at these prices the entryman will have from \$2,400 to \$12,000 to invest in improvements on the unit he retains. This should be a sufficient reward for the industry and sacrifice of those who have waited so long for the settlement of this vexed question. There seems to be no justice in the demand to permit patent to be issued for 160 acres. To do so would be to encourage speculation and the witholding of irrigable land from cultivation. Under the above plan patents would only issue to one person for the area embraced in one farm unit, as these are now or may hereafter be fixed. The assignees of the original entrymen would receive patent when the provisions of the law have been

complied with. If it were possible I would limit the delivery of water to one farm unit only for each owner. There appears to be no legal means of accomplishing this as to lands now in private ownership.

Costs of Operation and Maintenance.

This is a subject so vitally connected with size of farm units that it must be considered in connection therewith.

If authority shall be granted by Congress, I propose:

That hereafter no part of building costs nor betterment costs shall be charged to this account. Neither shall charges be assessed and collected in advance upon an estimate as to what may be the expense of a given year's service, except in case of default. Full and explicit monthly statements of the cost operation and maintenance shall be made monthly and posted in all the offices of the Reclamation Service on each project and in the office of the Water Users' Association. The totals shall be carried forward from month to month and on November 30th of each year the total cost as shown by such statements shall be increased by 5 percent to cover the cost of collection and the total thus obtained shall be assessed proportionately to the amount of water used upon each acre of irrigable land in the project.

The charge assessed upon each farm unit shall not be less than a reasonable minimum to be established by agreement with the Water Users' Association on each project. This minimum charge shall be assessed against the total irrigable area of each farm unit and shall be the same if the farm unit is uncultivated and uses no water as if it were cultivated and irrigated.

These charges shall fall due and be payable December 1st and if payment is made on or before December 15th the 5 percent added to maintenance and operation expenses to cover the cost of collection shall be rebated. If not paid by January 1st a penalty of 1 percent per month for each month of delinquency or for each fraction of a month shall be added.

The above provisions recommend themselves to me as being reasonable regulations and such as should be desired by the water users. Operation and maintenance charges must be paid. If farming operations are not sufficiently profitable to cover

this service then irrigation is a failure. There can be no valid excuse for neglect to pay such charges and the very existence of the Reclamation Service and the water users' organizations as well depends upon prompt payment.

I trust that water users will soon be taking over the management and operation of the projects. There should be a well-ordered definite system as to such collections, and calculated to produce the best results. I am advised that the cost of collecting delinquent assessments amounts to more than 5 percent thereof. The water user who promptly pays his assessments should not be burdened with a share of this cost as he is at present. By providing a rebate or discount of 5 percent and not less than 5 cents per acre to the man who pays within 15 days, this burden is lifted from him. The delinquent, however, should be required to pay the full amount and I percent per month additional for each month, or fraction of a month, of his delinquency. It should also be provided that any water user who is delinquent for operation and maintenance charges for the year ending November 30th shall not be served with water for any ensuing season unless he shall on or before May 1st pay the operation and maintenance charges for the then current year on an estimated basis of 25 percent increase over the charge for the preceding year, ended November 30th. It is believed that these provisions will encourage the thrifty to pay promptly and compel the unthrifty to pay eventually all that may be due. If water is not turned on May 1st for delinquents. unless charges are paid in advance for the coming season and at an increase of 25 percent over delinquent charges, it is believed the delinquent charges will be paid to escape the higher advance payment.

It must be apparent to you that if there is a large accumulation of unpaid charges due the Service there must be some adjustment made to recover the loss. In private business this loss is recouped by an arbitrary charge which rests upon the paying customer the burden of unpaid accounts. The government is not perhaps justified in adopting this business rule, but it is justified in adopting such restriction as will reduce such losses to a minimum.

I want you to think this over carefully and remember that sooner or later the burden of carrying delinquents will fall upon your shoulders, that you and not the impersonal government will have to deal with them. The question is, shall the government enforce a hard and fast rule, or shall it leave you

heir to an unbusinesslike and inefficient system.

The man who tries to hold 160 acres and pay operation and maintenance charges has four times the burden of the man with 40 acres and while it is true that he has four times as much land, it is also true that no 160-acre tract ever seems to produce as much per acre as 40 acres. The projects which conform most nearly to the 40-acre standard have the highest average yields. The margin of profit is much greater. It follows therefore that there will be fewer delinquents where the 40-acre tracts prevail than where the larger are. The total delinquencies for this account on Huntley project are less than 9 percent, the forfeitures less than 1 percent. Huntley has generally 40 acres of irrigable land in each farm unit. On Lower Yellowstone, where the land is chiefly in large holdings, the delinquencies are over 73 percent. I think it may be said to be axiomatic that land greed induces land poverty. You men who are making homes for yourselves and your families over-reach yourselves when you struggle under a burden to acquire title to a large tract. The small farm, the good farm, first; then out of its profits, the large farm; rather than the large farm, the large debt, the big failure and the big regret.

Economy in the Use of Water.

Perhaps the most vital question confronting the water user today, and really of greater importance to his future welfare than the question of deferred payments for the water used, is the determination of what is the proper use to be made of the water which is available for use upon the land. The prevailing disposition appears to be to use more water than is absolutely necessary for the best results on plant growth. The experts of the Service and those outside of the Service who have been longest accustomed to irrigation and who have developed all that is known on that subject, as applied to agriculture in this country, are unanimous in recommending a system of rotation, payment to be made in proportion to increased quantity, and of measuring according to predetermined schedule the amount of water that shall be delivered to each user to be regulated in accordance with the character of the land and the nature of the crops. The deleterious effect of the use of too much water upon the land is becoming more evident with each year.

The accumulation of ground water with a resulting waterlogging of large areas is but a reproduction of the natural conditions prevailing in humid countries where rainfall is excessive and the run-off limited.

If farmers will insist upon pouring water upon the higher lands in excessive quantities, not only will the plant food be leached from the soil, but the encroachments of the ground water will continue year by year and eventually will neutralize the benefits of irrigation by destroying more land than is reclaimed.

Not only does this bad result appear to be inevitable, but in pursuing this practice you are drawing from the available supply for acres that do not require it and depriving acres which are much in need of it of their share of the available water supply. Reasonable restraint should be exercised by all and that economy practiced which will result in the most benefical possible use of the water.

Building Charges.

This subject of course most intimately affects you and your prospects. If you are to win your home and your independence you must pay the cost, the whole cost, of reclaiming the land you hold. Not only because the law requires it, but because it is right that you should do so. There may be differences of opinion as to what may be properly charged to that cost. I own to some doubts as to whether you may not have been charged with some items of cost that were more properly chargeable to some other account. I do not know this to be so, but I propose to find out and to let you know, to relieve you, if possible, of any charge that may be unjust and to issue public notices definitely and finally fixing the cost as soon as this may legally be done.

It is possible that Congress may grant power to the Secretary of the Interior to extend the time for the repayment to the reclamation fund so that the whole sum may fall due at the end of 20 years instead of 10. I favor such an extension and have so advised Congress in my annual report.

It is my intention to determine this cost as accurately as possible by means of a board of review or a committee on each project to consist probably of an engineer of the Reclamation Service, an expert accountant representing the Secretary of the Interior and an engineer or accountant or other representative of the water users to be selected by the Water Users' Association. All items of cost assessed against each project shall be thoroughly reviewed and any items that may be objected to by the water users shall be thoroughly examined into and the justice or injustice of the charge determined at an open hearing. But this course must necessarily be dependent upon the agreement of the water users that the costs thus determined upon shall be final and binding upon them and shall form the basis of a new contract with the United States conditioned upon payments indicated as above or spread over a period of 20 years if so authorized by Congress.

At the same time and by the same board or committee there should be considered the question of additional construction costs made necessary by extensions, betterments, improvements or drainage or power systems. The necessities of each project should be thoroughly entered into with a view to the final determination of a "completed cost" for each project the completion contemplated to include all necessary enlargements of the project works, particularly of drainage works.

Residence and Cultivation Requirements.

There is another important matter in which I think you will agree with me, namely that any reduction of existing terms of payment should be extended, if at all, with caution, to those land owners who are neither residing upon their lands nor cultivating them. There is, unfortunatly, a class of investors, a few in number it is true, who are holding areas of considerable size including lands for which water has been provided at the cost of the project and who are living in cities or remote localities. Many of these are not cultivating the ground, or, if using it at all, only in the most perfunctory manner. With these are to be classed certain speculators or dealers in real estate who have purchased lands at low prices or have obtained relinquishments, due to the inability of the former owners to retain the land, and who are holding these lands out of use in the hope of obtaining a profit by raising the prices rather than by raising crops. The result is that in the midst of a tract of highly cultivated small farms, there is occasionally a section or quarter section of land which has been left untcuched, or perhaps merely ploughed up at some time and which has now grown up to weeds and serves as a refuge for jack rabbits and various kinds of vermin; weed seeds are blown from these fields and infest the neighboring cultivated land; the presence of these deserted areas is not only an eye sore but a direct financial injury to all of the neighbors.

The owners of these lands are endeavoring to make a profit largely out of the labors of the owners of the surrounding lands who, through their toil in the field, are gradually increasing land values in the vicinity. In other words, they are not only freely enjoying the bounty of the government in providing water for the land, but in like way are indirectly levying a toll upon the labor and self-denial of their neighbors.

No one can argue that these men should have the benefit of extension of time in making payment, as through such benefits it will enable them to hold these lands still longer out of cultivation, advance the prices, increase the load on the new-comer, and further delay the ultimate development of the community and its successful growth.

The injury to the community and to the state lies not wholly in keeping these lands out of profitable use but also by not permitting the rapid growth of resident population. By keeping away many desirable citizens, the burden of pioneering laid upon the remainder is increased notably in the maintenance of roads and of schools, and of all the local institutions so necessary to a growing community.

Employment of Settlers in the Service.

I am convinced of the justice of the very general demand that preference shall be given in the employment of assistants on various projects to the settlers upon the lands watered. In all capacities for which a water user is capable of qualifying under the Civil Service rules and regulations, he should be given the preference, but his application for employment should have the endorsement of the Water Users Association, or of its Board of Directors.

I trust that we may have the hearty cooperation of all in bringing to a success these enterprises, and that this review of present problems may enable you to see more clearly the purpose of the Reclamation Act and the policy with which it is being administered.

Cordia of yours,