

IRRIGATION SYSTEMS, FLATHEAD RESERVATION, MONT.

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

AN ITEM OF PROPOSED LEGISLATION AFFECTING EXISTING APPROPRIATIONS FOR THE FISCAL YEARS 1927 AND 1928, FOR THE DEPARTMENT OF THE INTERIOR, BUREAU OF INDIAN AFFAIRS, FOR CONSTRUCTION WORK ON THE IRRIGATION SYSTEMS ON THE FLATHEAD INDIAN RESERVATION IN MONTANA

FEBRUARY 25, 1927.—Referred to the Committee on Appropriations and ordered to be printed

THE WHITE HOUSE,
Washington, February 25, 1927.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress an item of proposed legislation affecting existing appropriations for the fiscal years 1927 and 1928, for the Department of the Interior, Bureau of Indian Affairs, for construction work on the irrigation systems on the Flathead Indian Reservation in Montana.

The details of the item, the necessity therefor, and the reason for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget transmitted herewith, with whose comments and observations thereon I concur.

Respectfully,

CALVIN COOLIDGE.

BUREAU OF THE BUDGET,
Washington, February 24, 1927.

SIR: I have the honor to submit herewith an item of proposed legislation affecting existing appropriations for the fiscal years 1927 and 1928, for the Department of the Interior, Bureau of Indian Affairs,

for construction work on the irrigation systems on the Flathead Indian Reservation, Mont., as follows:

IRRIGATION SYSTEMS, FLATHEAD RESERVATION, MONT. (REIMBURSABLE)

The unexpended balance of the \$395,000 appropriated for the Flathead irrigation project for the fiscal year 1927 and reappropriated for the fiscal year 1928 for continuation of construction of a power plant may be used either for that purpose or for the construction of a power distributing system, including the necessary substations, but shall be available only when an appropriate repayment contract in form approved by the Secretary of the Interior and which, except as hereinafter provided, contains the provisions set forth for such a contract in the appropriation for this project for the fiscal years 1927 and 1928, shall have been executed by a district or districts under State law embracing not less than 80,000 acres of irrigable land under the project: *Provided further*, That any contract provided for in this paragraph shall require that the net revenues derived from operation of the power plant or the distributing system and from sale of power, together with that part of any rentals which may become available to the irrigation project through any permit or license as hereinafter provided, shall be used to reimburse the United States in the following order: First, to liquidate the cost of the power plant or distributing system; second, to liquidate payment of the deferred obligation on the Camas division; third, to liquidate construction costs on an equal per acre basis on each acre of irrigable land within the district or districts contracting; and fourth, to liquidate operation and maintenance costs within such district or districts: *Provided further*, That the Federal Power Commission is authorized, upon terms satisfactory to the Secretary of the Interior, to issue a permit or permits, or a license or licenses, for the use of power sites on the Flathead Reservation and water rights reserved or appropriated for the irrigation project for the development of power: *Provided further*, That the rentals from such permits or licenses, with the exception of fees for administration under the Federal water power act and charges for use of public lands not within the reservation, shall be divided between the Indians of said reservation as a tribe and the irrigation project, or otherwise as may be determined hereafter by appropriate legislation: *And provided further*, That the public notice provided for in the appropriation for the project for the fiscal year 1927 shall be issued by the Secretary of the Interior upon the 1st day of November, 1929.

The Interior Department appropriation act for the fiscal year 1927 appropriated \$395,000 for continuing the construction of a power plant on the Flathead Reservation under certain specified conditions, and the unexpended balance (approximately \$390,000) of that appropriation was reappropriated for the same purpose by the Interior Department appropriation act for 1928. On February 17, 1927, the Montana Power Co. submitted to the Secretary of the Interior a proposal that it would undertake the development of the Flathead River power sites on the reservation if granted permits to do so, and would deliver to the irrigation systems electrical energy for pumping purposes to the extent of 10,000 horsepower at a price of 1 mill per kilowatt-hour and 5,000 horsepower for project and farm purposes at the rate of 2½ mills per kilowatt-hour. The company also proposes to reimburse the United States in the approximate amount of \$101,000 for expenditures at the Newell Tunnel site; to pay the United States each year during the life of its permit (50 years) \$1 per annual average horsepower generated at all plants erected on the reservation below Flathead Lake. The Secretary believes that the acceptance of this proposal would be advantageous to the Indians and the project. He does not think that the smaller development originally contemplated by the Government could generate power at the low prices offered by the company. The company reserves the right to make other arrangements if, by July 1, 1927, it is unable to enter into arrangements with the Government in accordance with its pro-

posal. Acceptance of the company's proposition would require construction by the Government of a power distributing system with necessary substations for the transmission of electrical energy from the company's switchboard to various portions of the project. The item of proposed legislation would make the unexpended balance of the appropriation of \$395,000 available for the construction of the distributing system in the event that the proposal of the power company is accepted, but would permit the use of the unexpended balance for the construction of a power plant by the Government in case an agreement for its construction by the power company is not effected.

The foregoing estimate is required to meet a contingency which arose since the transmission of the Budget for 1928. I recommend the transmission of the estimate to Congress.

Very respectfully,

H. M. LORD,
Director of the Bureau of the Budget.

The PRESIDENT.

Proposed legislation

Irrigation systems, Flathead Reservation, Mont. (reimbursable): The unexpended balance of the \$395,000 appropriated for the Flathead irrigation project for the fiscal year 1927 and reappropriated for the fiscal year 1928 for continuation of construction of a power plant may be used either for that purpose or for the construction of a power distributing system, including the necessary substations, but shall be available only when an appropriate repayment contract in form approved by the Secretary of the Interior and which, except as hereinafter provided, contains the provisions set forth for such a contract in the appropriation for this project for the fiscal years 1927 and 1928, shall have been executed by a district or districts under State law embracing not less than 80,000 acres of irrigable land under the project: *Provided further*, That any contract provided for in this paragraph shall require that the net revenues derived from operation of the power plant or the distributing system and from sale of power, together with that part of any rentals which may become available to the irrigation project through any permit or license as hereinafter provided, shall be used to reimburse the United States in the following order: First, to liquidate the cost of the power plant or distributing system; second, to liquidate payment of the deferred obligation on the Camas division; third, to liquidate construction costs on an equal per acre basis on each acre of irrigable land within the district or districts contracting; and fourth, to liquidate operation and maintenance costs within such district or districts: *Provided further*, That the Federal Power Commission is authorized, upon terms satisfactory to the Secretary of the Interior, to issue a permit or permits, or a license or licenses, for the use of power sites on the Flathead Reservation and water rights reserved or appropriated for the irrigation project for the development of power: *Provided further*, That the rentals from such permits or licenses, with the exception of fees for administration under the Federal water power act and charges for use of public lands not within the reservation, shall be divided between the Indians of said reservation as a tribe and the irrigation project, or otherwise as may be determined hereafter by appropriate legislation: *And provided further*, That the public notice provided for in the appropriation for the project for the fiscal year 1927 shall be issued by the Secretary of the Interior upon the 1st day of November, 1929. (Acts May 10, 1926, vol. 44, p. 464; January 12, 1927, vol. 44, p. 945.)

