

76TH CONGRESS }
1st Session }

HOUSE OF REPRESENTATIVES

{ REPORT
No. 619

APPROVING ACTION OF THE SECRETARY OF THE INTERIOR DEFERRING COLLECTION OF CONSTRUCTION CHARGES

MAY 15, 1939.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. O'CONNOR, from the Committee on Indian Affairs, submitted the following

REPORT

[To accompany H. J. Res. 264]

The Committee on Indian Affairs, to whom was referred the joint resolution (H. J. Res. 264) to approve the action of the Secretary of the Interior deferring the collection of certain irrigation construction charges against lands under the San Carlos and Flathead Indian irrigation projects, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

This proposed resolution was suggested by the Secretary of the Interior in a communication dated April 10, 1939, addressed to the Speaker of the House of Representatives. Thereafter a joint resolution (H. J. Res. 264) was introduced embodying the proposed resolution submitted by the Secretary of the Interior. The joint resolution was referred to your committee for consideration.

The communication of the Secretary of the Interior, above referred to, follows:

DEPARTMENT OF THE INTERIOR,
Washington, April 10, 1939.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: In accordance with the provisions of the act of Congress of June 22, 1936 (49 Stat. 1803), an economic survey is now being made on the Flathead Indian irrigation project, Montana, and the San Carlos Indian irrigation project, Arizona. It is expected that these studies will be completed within the next year.

The studies so far made indicate clearly that the landowners are unable to make payment of construction charges at this time and I have, therefore, deferred collection of construction assessments against the non-Indian lands within these projects pending completion of the studies and submission of final recommendations. A copy of my order deferring collection of these charges is enclosed.

There is attached a copy of a memorandum from the Commissioner of Indian Affairs, setting forth the conditions affecting each of these projects and it is recommended that my action in deferring collection of construction charges be

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approved, as provided by the act of June 22, 1936, supra. A copy of a proposed resolution to effect such approval is enclosed.

The Acting Director of the Bureau of the Budget has advised that there would be no objection to the proposed legislation providing that the deferment of payments be in accordance with the act of June 22, 1936.

Respectfully,

HAROLD L. ICKES,
Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, February 17, 1939.

Memorandum to the Secretary.

The act of June 22, 1936 (49 Stat. 1803), authorized the Secretary of the Interior to investigate irrigation charges on irrigated lands within projects on Indian reservations and to adjust, defer, or cancel such charges, in whole or in part, as the facts and conditions warranted. In accordance with this act an economic survey is now being made on the Flathead irrigation project, Montana, and the San Carlos irrigation project, Arizona. It is expected these studies will be completed during the present calendar year.

Studies so far made indicate clearly that the owners of non-Indian land in these projects are unable to make payment of construction charges at this time and it is recommended that collection of these charges be deferred pending completion of the studies and submission of final recommendations. The conditions existing on these two projects, which it is believed justify deferment of the construction collections, are summarized briefly as follows:

FLATHEAD PROJECT, MONTANA

The Flathead Indian irrigation project as now constituted was authorized by the act of May 29, 1908 (35 Stat. 448). The ultimate irrigable area is 138,000 acres of which 27,500 acres are in Indian ownership and 110,500 acres in non-Indian ownership; 114,000 acres are under constructed canal systems but the present available water supply is sufficient for only about 50 percent of that area. The construction costs to June 30, 1938, were \$8,011,189. Funds available for the fiscal year 1939 amount to \$600,000 and the balance required to complete is approximately \$1,300,000, making a total estimated cost when completed of \$9,911,189, or approximately \$72 per acre.

The non-Indian lands of this project are included within three irrigation districts organized in accordance with the provisions of the act of May 10, 1926 (44 Stat. 458), and contracts have been executed by these three districts which specify the method by which construction costs shall be repaid and provide for the payment of operation and maintenance charges annually. In accordance with these repayment contracts, the first payment on the construction charges was to be made in 1930 but, by the act of February 14, 1931, authority was granted to defer collection until 1935 and by the act of May 9, 1935, another deferment was granted and the time for making the first payment was fixed as December 1938. The changes in time for beginning the collection of construction charges were made because the project works were not completed to the stage where water in sufficient quantity could be delivered. This condition still exists.

On this project an average of 1.5 to 2.0 acre-feet per acre delivered at the land is necessary for satisfactory crop yields. The area actually irrigated together with the water delivered per acre for the years 1934 to 1938, inclusive, is shown in the following tabulation:

Year	Area irrigated, acres	Acre-feet of water delivered per acre	Year	Area irrigated, acres	Acre-feet of water delivered per acre
1934.....	60, 215	1. 78	1937.....	72, 667	1. 27
1935.....	67, 513	1. 51	1938.....	76, 008	1. 36
1936.....	68, 127	1. 63			

During the years 1935, 1937, and 1938, particularly, reduced crop yields were very apparent on account of water shortage. This same condition will, in all probability, exist during the irrigation season of 1939 and to force the landowners to assume the burden of repaying construction costs at this time would inflict an undue hardship upon them. In view of the above it is recommended that the repayment of construction costs on this project be deferred until such time as the detailed studies now in progress are completed and a fair and equitable repayment formula devised.

SAN CARLOS PROJECT, ARIZONA

The San Carlos Indian irrigation project as now constituted was authorized by the act of June 7, 1924 (43 Stat. 475-476). The project contains a total of 100,000 acres of which 50,000 acres are trust patent Indian lands in the Gila River Reservation and 50,000 acres are non-Indian owned lands in the Florence Casa Grande Valley.

The non-Indian lands are all included within an irrigation district as provided by the act of June 7, 1924, and are covered by a repayment contract executed on June 8, 1931. The total construction costs to June 30, 1938, have amounted to \$12,049,989 or approximately \$120.50 per acre. In accordance with the repayment contract, the first payment on the construction charges, amounting to approximately \$2.50 per acre, was due December 1938.

A similar condition exists on this project as on the Flathead project, Montana, in that the water supply available is insufficient for the entire area. This deficiency in water supply, however, is due not to the failure of the Government to complete the project works but to the fact that since the project was started in 1924 there has been insufficient run-off in the Gila River to supply the demand for water. When the project was designed in 1924 the average annual net supply at the Coolidge Dam, based upon the run-off records of the Gila River from 1895 to 1924, both inclusive, was 320,000 acre-feet. The actual annual run-off from 1924 to 1938 has averaged approximately 270,000 acre-feet and the run-off for the calendar year 1938 was only 109,000 acre-feet. A total of 75,460 acres were cultivated in 1938 and the present estimate is that this acreage will have to be reduced approximately 50 percent during 1939 on account of water shortage.

In view of this serious situation, it is recommended that repayment of construction costs on this project be deferred until such time as detailed studies now in progress are completed and a fair and equitable repayment formula devised.

JOHN COLLIER, *Commissioner.*

APRIL 10, 1939.

ORDER

Whereas the act of Congress approved June 22, 1936 (49 Stat. 1803), authorized and directed the Secretary of the Interior to make or cause to be made investigations to determine whether certain landowners within Indian irrigation projects are unable to pay irrigation charges, and the reasons therefor; and

Whereas the said act provides in part as follows: “* * * Where the Secretary finds that said landowners are unable to make payment due to the existence of such causes, he may adjust, defer, or cancel such charges, in whole or in part, as the facts and conditions warrant * * *”; and

Whereas the investigations contemplated by the act, now being made on the San Carlos Indian irrigation project, Arizona, and on the Flathead Indian irrigation project, Montana, indicate that the landowners are unable to make payment of construction charges that will become due and payable under existing law before such investigations are completed;

Now, therefore, I, Harold L. Ickes, Secretary of the Interior, pursuant to authority vested in me by the said act of June 22, 1936, hereby order that the collection of irrigation construction charges on the Flathead and San Carlos Indian irrigation projects be deferred, subject to confirmation by Congress as provided in section 6 of said act, until the investigations referred to can be completed.

It is further ordered that all prior departmental authorizations for the collection of construction charges on the said projects in conflict herewith are hereby revoked.

HAROLD L. ICKES,
Secretary of the Interior.