

that we were up against a game of "heads I win, tails you lose." This new construction turns the contract from its original mutual conception into something entirely different, and so great was the effect of this new construction that loans were refused and called, and that our titles had an absolutely unlimited mortgage on them according to the amount that the engineering trust in the government employ could induce the Secretary or Congress to appropriate for them to expend, and all without consultation with us or our consent, nor were we asked to consent and we were politely told that the amount they desired to spend was none of our business, and we were denied access to the books and were treated with utter contempt.

Banking credit has ever since been practically withdrawn from us and development of the lands practically has ceased as a matter of financial necessity. At the supper table with Secretary of the Interior Fisher at Yuma, our project engineer stated that the Service had now given many of the lands access to irrigating water for which they had been clamoring for years and now the owners did not seem to want it and would not put their lands in cultivation and only last week we had a letter from our Senator Mark A. Smith, chairman of senate committee on irrigation, stating that the department was planning very carefully that we were not putting our lands under cultivation to utilize the water, and alleged that we were holding our lands for speculative purposes.

Under the circumstances of an unknown and unlimited mortgage, I do not know that I desire to deny the charge. I would like to sell out myself but cannot do so, for the reason that suckers are not around trying to purchase such uncertainties. I think there are as many American hard-working citizens who have been attracted by the glitter of government irrigation that have invested their all and lost it all during these years of waiting on certainty when each year the uncertainty became greater and greater and greater than have become tramps, as there are now living on the project.

In the report of the Water Users' Conference of May 8 1913, Senator Walsh of Montana used a good portion of the day in addressing himself to the Secretary on the interpretation of the law regarding the "estimated cost," which accords with our views entirely. He stated that under Mr. Newell's construction that any man who cultivated his lands did so at his peril. Nor during the entire conference did any man even attempt to answer Senator Walsh. Under the existing circumstances agricultural prosperity on a government project is next to an impossibility, especially in the sparsely settled communities of the far west, with very limited markets and very limited methods of transportation. On a ranch a short distance from mine, there are three years of cutting of alfalfa that lies rotting in the stack and cannot be sold for the cost of production and the owner can not finance the purchase of stock to eat it because he is denied, on account of the government lien, access to the usual money markets of the world.

Again, until completion users of water have to rent their water with-

out having any definite water right. I inclose a copy of the rental contract for your inspection and call your attention to clause 6, where the "United States reserves the right to terminate this contract at any time upon giving thirty days' notice." We are expected to clear our land from the mesquite timber, level the land and put into crops relying on a thirtydays' tenure of water. Is it reasonable to ask a man to make such an expenditure relying on such a tenure of water? Of course we well know the reasons for that clause, which are, that when the day of accounting comes we are expected to give a more specific mortgage called a "Water Right Application," in which we must agree to pay the total cost, and if our lands are in cultivation and we demur the water rental contract will be terminated by notice and water shut off until we come through. Did you ever see a more effective club against a helpless individual like the average man who is endeavoring to establish a home for himself and his family? Is this the "square deal"? Would such a thing be tolerated in Russia or in darkest Africa, and is not the great faith we have in our own government our very greatest weakness?

Now as to the Extension Act. To the man up the tree it is most charitable, but in effect, it is a Trojan horse filled with armed men to compel us to acquiesce in the new construction of estimated cost! Again the proposed re-valuation boards, on one of which we are entitled to have one representative to two of the government's representatives, and is therefore by no means a board of arbitration, and if we appoint a man on such board we will naturally be bound by the findings. That is nothing but another Trojan horse. This project, on due reflection has declined both propositions so far.

I will invite your attention to Congressman Borland's remarks in the Congressional Record of February 17, 1915, page 4030. Mr. Borland is the chairman of the house committee on appropriations.

"Mr. Borland. Mr. Chairman I move to strike out the last word. I want to say a word in regard to the question of the increased cost, because that is one of the features of the Reclamation Extension law.

"It was claimed originally as to most of these projects that an advance estimate had been given to the settlers as to how much the project was going to cost per acre, and that they had capitalized the water users' associations upon that basis, and that was what they were bound for. A controversy of considerable size existed between the settlers and the department on this very question. The department solved that problem in this way: The settlers in many cases wanted additional time on their payments, or they wanted an enlargement of their original projects, and when they came to the department to ask either an extension of time or relief from a default, or an extension, or new work, or any other favor, the department said to them: 'Gentlemen, either you must agree to the increased cost over and above what you claim was the limit fixed by the department when the work was begun or we will not do what you ask. In that way

they compelled the settlers to agree to the real cost instead of the original estimate, which in all cases was too low and in some cases was only 50 per cent of the real cost."

The foregoing are the views of the actual settlers who, endeavoring to produce from the soil, or, who would desire to do so if they were not shut out by the above circumstances. But there are those who will not listen to these views that are right here close at hand, and who are bankers and merchants and so-called Commercial Clubs, who will tell you a different story. The more money put into the project the better they are pleased, for its expenditure makes good business in the mercantile line. Every increased appropriation for the project is hailed with delight in our local press who are supported by the advertising merchants, and the people of the towns are always favorable to further appropriations, though well knowing but caring less, that it must all be dug up again by the producer—the man the law was intended to help. We farmers and committees and men who argue like Senator Walsh does, are dubbed kickers agitators, socialists, etc., etc—so great is their greed for greater and greater government expenditures. The views of different men depend on whose ox is being gored. We insist that no one has any right in this controversy except the settlers on the lands and the government, and if the question is only to be discussed in town and city banquets with officials of the Reclamation Service, and to which no producer is ever invited, then such discussion is among people who are not vitally interested and are attending to other people's business besides their own.

It is impossible in this communication to touch on all that should be said as to what developed at the Washington conference in even the Yuma project. I will endeavor to have sent to you the pleadings in the case of the Bell Fourche Water Users' Association against the officials of the service, and where the association got a temporary injunction in the state court, affirmed in the U. S. district court and again confirmed in the U. S. court of appeals. Those pleadings tells the human side of these big questions.

We have studied the question for years; we have consulted the highest engineering talent in this country and obtained the best legal advice obtainable, and have concluded that everything is extravagant—that Mr. Newell is remarkably incompetent as engineer director and business man; that he has gone ahead regardless of law and his own contracts. He even denied that he wrote the letter to the Yuma County Water Users' Association giving the details of the estimate and that he knows nothing about it.

Under Newell's interpretations the law is nonsense. Suppose they go on for ten years more and run the cost up to twenty or thirty millions, can the land stand it, and are not the objects of the law defeated by its administrators?

But this is enough for this communication. I am willing to aid you in any investigation with documentary evidence that you may call for, for you should know the facts more than any other man outside the present govern-

ment. With highest regard, I remain,
Very truly yours,
EARL B. SMITH.

Chairman of the Executive Committee of the National Federation of Water Users' Associations.

ADDENDA

Congressman Hayden in Congress, February 12, 1915: (page 4023.)

"Mr. Chairman, of course I do not ask for a cent to be spent on the Yuma project that is not necessary because it must all ultimately come out of the pockets of the farmers there."

Secretary Lane has now been in office for over two years since all these matters have been brought to his attention in a 17-day conference, and it is time that he came to some conclusion as to what is the matter. Of course, he inherited Newellism when he became the Secretary of the Interior. Congressman Borland's remarks quoted in this letter let the cat out of the bag when he explained on the floor of the house how the secretary is holding up the settlers to agree to a different bargain when they ask for extension of time on payments due that they could not possibly pay under the circumstances brought around not by their acts, but by the policy of the Reclamation Service. A wobbling policy still prevails.

Of all the nonsense appearing in the official organ of the Reclamation Service when dealing with so grave a proposition as is involved in this discussion, and upon which depends the success or failure of thousands of settlers, the following article taken from the May issue (1914), page 168, I think this is the worst that has ever appeared, and shows the weakness of the position maintained by the department. I quote the article in full as follows:

"VARIETIES OF ESTIMATES"

"In connection with the question more or less frequently raised regarding the 'estimated' cost of a project, it is interesting to note the following classification of estimates suggested by Allen Hazen, consulting civil engineer of New York City:

"1. Preliminary estimates being estimates in advance of the preparation of detailed plans and specifications for the purpose of discussing a project for deciding as to its adoption, and for making the necessary financial arrangements for carrying it out.

"2. Detailed estimates, being estimates based upon detailed plans for the execution of the work, and usually made shortly before bids are asked for the particular work covered, or in advance of undertaking to carry it out by day labor.

"3. Final estimates, being made to the contractor at contract prices for the actual work done. The term 'final estimates' may also properly be applied to a statement of the cost of a completed work based upon actual expenditures made in carrying it out.

"It has been suggested that the term 'estimates' as used in the Reclamation Act, obviously refers to the final estimates as defined above, while the so-called estimates of the engineers and others, made in the early stages of consideration of a project, were just as obviously preliminary estimates as above noted."

The above constitutes the only dis-