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CONSOLIDATION OF FOREST LANDS

Hearings before the Subcommittee of the Committee on the Public Lands. 1912.



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CONSOLIDATION OF FOREST LANDS

HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE COMMITTEE ON THE PUBLIC LANDS

U. S. Congress HOUSE OF REPRESENTATIVES

ON

H. R. 18503

RELATING TO THE CONSOLIDATION OF
FOREST LANDS



2000, Feb 13

CONSOLIDATION OF FOREST LANDS.

SUBCOMMITTEE OF THE
COMMITTEE ON THE PUBLIC LANDS,
HOUSE OF REPRESENTATIVES,

April 19, 1912.

The subcommittee met at 3 o'clock p. m.

Present: Representatives Dent (chairman), Raker, and Pickett; also, Hon. Willis C. Hawley, Member of Congress from Oregon; Hon. A. W. Lafferty, Member of Congress from Oregon.

The CHAIRMAN. As I understand, this matter was referred to this subcommittee with two additional members added. We have already had some hearings on it. Shall we let Mr. Hunter proceed with his statement? Would you gentlemen like to ask him questions?

Mr. RAKER. I think it would be a good idea to let him make his statement, so far as he can, without interruption, and then when he gets through let each member of the committee ask Mr. Hunter such questions as he may desire.

The CHAIRMAN. I thought perhaps we might get right down to the issue by asking questions.

Mr. HUNTER. I did not come with any statement. I came to answer questions. I did not prepare any statement.

Mr. RAKER. Tell us what you want under this bill; that will be the best way.

STATEMENT OF MR. H. A. HUNTER, 810 SPAULDING BUILDING, PORTLAND, OREG.

The CHAIRMAN. Very well. You may proceed, Mr. Hunter, with whatever statement you desire to make on this bill.

Mr. HUNTER. The exchange under consideration is one which had not occurred to us originally, but was suggested in conversation with the local forestry people in Oregon, as the solution of all our difficulties there. To irrigate the entire tract is a costly method and would entail a good deal of unnecessary expense, and since the nature of the soil was so porous we hesitated to undertake it. While making our investigations, one of the forestry officers—I have forgotten his name—stated, "Why would not we agree to consolidate and make an exchange?" Well, it was such an unusual procedure that we said we would think it over, and we did; and it occurred to us that it was the only thing to do in reason; that is, taking into consideration our means for irrigating homesteads and at a price that the farmer could pay at that high altitude, because the lands will have to be sold at a low price, and it is our intention this year—if we do not lose money in the process—to sell the lands with a water right, constructing only

the main canal, allowing the farmer to construct his lateral to his land, and sell it, if we make this exchange, at a price of around \$30. I should oppose a higher price than \$35, unless there is an actual loss.

Mr. HAWLEY. That is for both the land and the water?

Mr. HUNTER. That is for both the land and the water. Mr. Whistler, the best authority we can get, and late of the Government service, estimates that it could be done for \$17.50.

Mr. HAWLEY. Per acre?

Mr. HUNTER. Per acre. Since the introduction of this bill, the working of which was suggested by the associate forester, we have encouraged 16 Swiss families to go there, and as soon as we are able, in May, to take them there, when we feel sure the snow will have gone. They are to have 40 acres of land or more at a price of \$12.50, which shall include a lot for building or residence in each of the towns throughout this grant, because we could not anticipate which would be the best town, or the town that would be nearest the land which they selected. So we gave them, free of charge, a lot in each. We expected to trade the Government acre for acre, and to have reserved our water rights in the northern part. We suggest now that an exchange be made below the pass where all of the waters drain into the Klamath River, exchanging for the Government lands located there all our lands, including the yellow pine, that lie north of that pass, and which flow into the Columbia River. It was suggested later that these water rights should be surrendered up to the Government. I do not think the land board should expect these water rights to be given absolutely free. It seems to me that where water rights on lands are worth ten times, or even more, per acre than the land itself, that some recognition should be given to me for the four years of effort and several thousand dollars in expense that I have been put to, but I should be willing to leave it to this committee or your Forestry Service.

Mr. ESTOPINAL. You would have no use for those water rights, having exchanged the lands?

Mr. HUNTER. Not unless placed on Carey lands, farther north, at a lower elevation, which I would strongly recommend the Government to do, in lieu of using them in the northern part of this particular forestry reserve where the contour lines and elevations are so extreme—where the country is so rough.

Reference to the map shown here and furnished by the Forestry Department would indicate that where we intend to irrigate, if the exchange is made, the contour lines are wide apart and the irrigation becomes much more easy. Here [indicating on map] it is rougher and all that—

Mr. ESTOPINAL. Then it would be to your advantage to have this exchange made, because the irrigation would be much easier?

Mr. HUNTER. Much more easy and much more within our needs.

Mr. ESTOPINAL. Then you would give up the other water rights in compensation for this privilege?

Mr. HUNTER. Yes. Well, we are giving, in addition, sir, very valuable timber lands for lands that are worthless; and I think reference to the bill itself makes it necessary for the Government to make an exchange that is equal in value.

The CHAIRMAN. And area?

Mr. HUNTER. And in area.

Mr. ESTOPINAL. The timber on the land would be so much more valuable than on the land which you would get in return?

Mr. HUNTER. Oh, the Government would be getting the timber. I have used the expression, "All of the land north," but there are some exceptions that I would like to notice. They are not much, but some settlers have gone there under contract from us along the river to make homes on strictly agricultural lands, and they are not to receive any pine timber, or if it is included in their contract they are to give it back; and further that I personally promised the chief engineer of the town system that we would give him at a nominal price—I think \$7.50 an acre, if I recall correctly—and right of way through our entire grant in return for the town sites, four in number—I think four, although it might be five—and these exceptions I should like to have recognized, because they were—

Mr. HAWLEY. So far as they are concerned, that would be for the Forestry Service in making exchange to count those lands as in exchange.

Mr. HUNTER. Yes; or rather they can give them to the railway if that comes.

Mr. HAWLEY. Or to the settlers?

Mr. HUNTER. Yes; that can be done. Roughly speaking, approximately the change would affect about 20,000 acres.

Mr. LAFFERTY. Does not the railroad company have the right of way over the Government lands by having filed on locations with the Secretary of the Interior?

Mr. HUNTER. I think so; but they have not over our lands.

Mr. LAFFERTY. If they become Government lands by surrender to the Government, would not the Government's right of way, then, attach immediately?

Mr. HUNTER. That is quite probable. I merely mentioned it, because I only gave them the promise. It is verbal; but I should like to have any of our assignors live up to it, if possible; and I should think they would do that, because without a railway it is not very much good.

Some mention has been made regarding the excessive prices that this company might charge for lands there on water. That, however, has not been the company's policy, and will not be. We must compete; and after having proven the country a grain-growing country, we will be very glad to sell to actual farmers our lands there on strictly part-payment plan, with some little evidence of good faith, say, a down payment of one-tenth or some such nominal sum, indicating that they mean to be bona fide settlers.

Mr. ESTOPINAL. Do you state what prices you will charge—\$35, did you say?

Mr. HUNTER. With the water, that is our intention to keep it below that, because the lands lying at an elevation of 2,000 and even more feet north than where we are, in fruit districts, are on sale to-day in Oregon and Idaho, and it will be necessary for us to meet that competition. Knowing further, as I said this morning, that in the last 13 years the company's average sales of farming lands have exceeded 1,000 acres a day, and the average profit upon that has not exceeded 32 cents per acre.

The CHAIRMAN. Average profit?

Mr. HUNTER. Yes; average profit.

Mr. PICKETT. Has that been net?

Mr. HUNTER. That is net.

Mr. PICKETT. After including all elements of expense?

Mr. HUNTER. After including all elements of expense, reasonable agent's commissions were, of course, deducted first. In some instances there were no commissions. None of the officers of this company have received any salary whatever, and it is the policy of the company to establish and operate experimental stations and to procure the best cereals adapted to the country wherever obtainable.

Mr. HAWLEY. That is, you make the experiments for the benefit of the farmers and then give them the results of your work?

Mr. HUNTER. Yes. Moreover, we usually adopt the system of photographing the actual farm offered for sale under a system for which we have applied for patent. Here is the system. [At this point Mr. Hunter exhibited certain photographs to the members of the committee.]

Mr. PICKETT. Are these all irrigated lands?

Mr. HUNTER. No, sir; I merely showed you those to show you our system of selling lands. A man is shown what he is going to see before he comes there. Then unless he is shown that land we are open to misrepresentation.

Mr. PICKETT. Yes; I understand that.

Mr. HAWLEY. These are pictures on another tract?

Mr. HUNTER. Yes; I have not the particular system.

Mr. PICKETT. Is this 32 cents profit on irrigated lands or these other lands?

Mr. HUNTER. On all lands. I am sorry to say that our experience on the irrigated lands has been one of "Irish" dividend—has been a return of a loss.

Usually, in every instance, the farmer, as in the instance of these Swiss, is given back his money if he is dissatisfied, after inspection, and we expect every man to inspect his land, and give them ample time—weeks or months, as the case may be. I think any farmer is an idiot who buys land without inspecting it.

Mr. RAKER. Mr. Hunter, where was this picture taken that you presented to us? Which tract does this represent [referring to the two photographs presented by Mr. Hunter to the committee for their inspection]?

Mr. HUNTER. This?

Mr. RAKER. Yes.

Mr. HUNTER. That is taken in—in the State of Florida.

Mr. RAKER. It does not say "Florida" here.

The CHAIRMAN. It was taken where?

Mr. HUNTER. In the State of Florida.

Mr. RAKER. That is a long ways from Oregon.

Mr. PICKETT. I was going to ask what that has got to do with Oregon.

Mr. HUNTER. I merely exhibited it to show our system.

The CHAIRMAN. What part of Florida is this?

Mr. HUNTER. North of Lake Okechobee.

The CHAIRMAN. Osceola County?

Mr. HUNTER. They are all in Osceola County.

Mr. RAKER. The first picture is marked "tract 2, section 23, township 35, range 32"; the second, "tract 32, section 23, township 35, range 32." Where is this last tract of land?

Mr. HUNTER. One is section—

Mr. RAKER. The same State?

Mr. HUNTER. One is section 23 and the other is section 23, exactly the same range and township.

Mr. RAKER. Have you any pictures in Oregon and California?

Mr. HUNTER. Yes.

Mr. PICKETT (referring to photograph). This shows the Hunter Land Co., of Minneapolis. Is that your home office?

Mr. HUNTER. Yes, sir.

Mr. PICKETT. I got the impression that this was some local company here in Oregon.

The CHAIRMAN. I did too.

Mr. RAKER. The picture here [indicating] is marked, "Showing average stretch of the lightly timbered lands." That is in the Paulina district?

Mr. HUNTER. Yes; that is this very district.

Mr. HAWLEY. What is your relation to the Oregon Land Co.?

Mr. HUNTER. I am secretary and general manager of the Oregon Land Corporation, and the Hunter Land Co., of Minneapolis, owns one-half of the shares of that company.

Mr. PICKETT. A subsidiary company?

Mr. HUNTER. Yes; we maintain an Oregon branch in Portland, Oreg., for western business.

Mr. PICKETT. What is the capital of your company?

Mr. HUNTER. I think it is \$50,000.

Mr. PICKETT. Does this 32 cents an acre include all administrative charges, and everything—the salaries of your officers—

Mr. HUNTER. That is the net profit that we make.

Mr. PICKETT. That is net, after all the officers salaries are paid, and everything?

Mr. HUNTER. No officer ever received a salary connected with our company.

Mr. PICKETT. Oh, he does not?

Mr. HUNTER. No, sir.

Mr. RAKER. What has been the method and mode of the exchange you speak of in regard to land where you have made this net profit of 32 cents an acre?

Mr. HUNTER. The exchange?

Mr. RAKER. Or sale—how do you do that?

Mr. HUNTER. Oh, we do it through agents, chiefly—through advertising and all such methods.

Mr. RAKER. Do you have any drawing system that this 32 cents an acre is involved in?

Mr. HUNTER. Oh, no; I merely mentioned that that was our average profit.

Mr. RAKER. Well, what I meant is, you sell an acre of land through a drawing system?

Mr. HUNTER. None whatever.

Mr. RAKER. You have not used that system?

Mr. HUNTER. We are absolutely opposed to it. The system that we sell under chiefly is that of the photograph system of the land itself.

Mr. RAKER. You do not get my views of the matter. For instance, you have got 100,000 acres of land. Do you divide it up, segregate it, block it off, and then have a drawing?

Mr. HUNTER. No, sir.

Mr. RAKER. A man may get 10 acres, 50 acres, or 600 acres, and a town lot by paying so much; for instance, 200 acres, \$200 for his right—nothing of that kind?

Mr. HUNTER. No, sir; he buys 40 acres at the same price as he buys 80 acres. The town lots are given away.

Mr. RAKER. That is what I wanted to know. Now, come back to this particular plot here, which is something similar to the one we had before on the other hearing. The north part, which is in townships 24, 25, and 26, ranges 7, 8, and 9, is the north part of the tract; that is wherein your privately owned lands are that you desire to exchange for lands south of the township line, or between townships 26 and 27. Is that right?

Mr. HUNTER. Yes, sir.

Mr. HAWLEY. On the hatched portion.

Mr. RAKER. Yes. About where is this divide you speak of? It would be about the center of township 27 south?

Mr. HUNTER. Yes, sir.

Mr. RAKER. And the ranges that I have given?

Mr. HUNTER. And the number of sections also tallies with what we have to exchange.

Mr. RAKER. The land that you desire to exchange is the hatched land. It is the hatched land owned by the Government south of this land.

Mr. HAWLEY. No; the unhatched land?

Mr. HUNTER. Yes, sir.

Mr. RAKER. The hatched land belongs to the company?

Mr. HUNTER. Yes, sir.

Mr. RAKER. What is the name of the company?

Mr. HUNTER. The Oregon Land Corporation.

Mr. RAKER. Is any of this land that was obtained from the Oregon Military Road grant?

Mr. HUNTER. It is.

Mr. HAWLEY. All of it?

Mr. HUNTER. All of it.

Mr. RAKER. Is there any of that land involved in any litigation?

Mr. HUNTER. None whatever.

Mr. RAKER. Litigation between the Government and the original grantees?

Mr. HAWLEY. This land was never in litigation?

Mr. HUNTER. This land was adjudicated many years ago.

Mr. HAWLEY. But not now.

Mr. HUNTER. And passed the Supreme Court twice. The title is absolutely perfect.

Mr. RAKER. On the land on the north part that the company owns, it is timberland?

Mr. HUNTER. I beg your pardon.

Mr. RAKER. I will repeat it to you. Has there been any of that land cut over?

Mr. HUNTER. No, sir.

Mr. RAKER. In a natural state?

Mr. HUNTER. Yes, sir; there is not a mile within 25 miles of there—

Mr. RAKER. Have you had any estimate made by cruising on this land as to the number of feet per acre stumpage upon the land?

Mr. HUNTER. No, sir.

Mr. RAKER. How many settlers are there on your land that you have agreed to sell to—that is, north of the center of township 27 south?

Mr. HUNTER. Well—

Mr. RAKER. Approximately.

Mr. HUNTER. You say "settlers." There are some of these people that had contracted the land, but they are not settlers yet.

Mr. RAKER. Well, I will put it another way. How much of that land—

Mr. HUNTER. I should say—

Mr. RAKER. North of the line designated—and when I speak hereafter of north it will be north of the center of township 27 south and ranges 5, 6, 7, 8, and 9 east.

Mr. LAFFERTY. What meridian is that?

Mr. HUNTER. Willamette meridian: I should say, roughly, 3,000 acres.

Mr. RAKER. That you have contracted?

Mr. HUNTER. Yes.

Mr. RAKER. Where does this land lie, in reference to the stream and the kind and character of the land?

Mr. HUNTER. It lies along the stream beds and riparian rights and water of some sort.

Mr. RAKER. Is that agricultural land?

Mr. HUNTER. Strictly.

Mr. RAKER. It would still be in the exterior boundary lines of this?

Mr. HUNTER. Yes, sir.

Mr. RAKER. Of this national reserve?

Mr. HUNTER. Yes, sir.

Mr. RAKER. And also adjoining the land that you would exchange with the Government for its land?

Mr. HUNTER. Yes; and little streaks along the river.

Mr. RAKER. How long since was it that you made the contracts?

Mr. HUNTER. Some of them have not been executed this year; they have been held up.

Mr. RAKER. Well, how long since have you been making contracts with them?

Mr. HUNTER. I would say since last—about the 1st of September last, some of them before we even acquired the land.

Mr. RAKER. What do you estimate to be the value at the present time; that is, the actual cash value as the matter now stands, of your timber land per acre, north of the line designated?

Mr. HUNTER. Well, sir, I could not answer that question. I know nothing about timber. We do not deal in it and, except in Vancouver Island, we do not own any.

Mr. RAKER. Could you give us an idea as to the size of the trees, the general average of these trees?

Mr. HUNTER. The general average of the yellow pine, I should say, in that district they are not particularly large.

Mr. RAKER. How large—from $2\frac{1}{2}$ to 6 feet in diameter?

Mr. HUNTER. Not as large as that, not by any means. Two and one-half feet would be nearer it.

Mr. RAKER. What other kind of timber is on the land except yellow pine?

Mr. HUNTER. None on the yellow-pine district, you mean?

Mr. RAKER. Yes.

Mr. HUNTER. I should say none.

Mr. RAKER. How much of this land on the north of the line that your company owns is susceptible of irrigation—roughly estimated?

Mr. HUNTER. That is a hard question to answer—not a great deal on the north part.

Mr. RAKER. Would it be in the neighborhood of something like 10,000 or 15,000 acres?

Mr. HUNTER. Ten or twenty sections, I should say.

Mr. RAKER. Yes; 10 or 20 sections. I will figure it up—between 17,000 and 20,000.

Mr. HAWLEY. It would run 6,000 to 12,000 acres?

Mr. HUNTER. Yes.

Mr. RAKER. Would you figure on retaining the land that is susceptible of irrigation?

Mr. HUNTER. No. We think it would be, perhaps, too costly.

Mr. RAKER. For you to build the ditch?

Mr. HUNTER. Yes, sir.

Mr. RAKER. Or the ditch to be built—

Mr. HUNTER. We have not made —

Mr. RAKER. The land south of the line designated heretofore that is owned by you is land that is susceptible of irrigation?

Mr. HUNTER. Yes, sir.

Mr. RAKER. And what would it produce—what kind of crops?

Mr. HUNTER. It will produce, we know, rye, and I saw some stubble of some wheat grown there.

Mr. RAKER. Is the Government's land in the same condition?

Mr. HUNTER. Precisely.

Mr. HAWLEY. Clover?

Mr. HUNTER. Well, yes; under irrigation, clover.

Mr. RAKER. I understand there is an agreement between you and the Southern Pacific Railroad Co. that they are to have a right of way over all of your lands, on this tract, both north and south of the line designated. Is that right?

Mr. HUNTER. A verbal agreement; yes, sir.

Mr. RAKER. Well, supposing that the Government should make this exchange, would you expect the Government to carry out with the Southern Pacific Railroad your agreement with them for the right of way across the line?

Mr. HUNTER. Well, I would like them to respect it, but Mr. Hawley says they would get it anyway—or Mr. Lafferty.

Mr. RAKER. There are a great many conditions that may be imposed on a railroad company getting a right of way across a national forest.

Mr. HUNTER. Well, so long as——

Mr. RAKER. What I am figuring on is whether or not the thing would be in shape so that the railroad would go right over this land under the private arrangements heretofore had and which might be consummated by the exchange made, so that the Government would not be able to hold up some rules and regulations to other railroads seeking rights of ways across national forestry lands?

Mr. HUNTER. Well, so long as the Government gives us the four town sites that we are giving lots away in I do not think we would particularly care.

Mr. RAKER. What do you mean by "four town sites"? You want the Government to exchange land up here where four town sites are now located by you?

Mr. HUNTER. Yes, sir.

Mr. RAKER. You would want that land if exchanged?

Mr. HUNTER. I would want that kept for that purpose.

Mr. LAFFERTY. He wants to retain those lands in making this exchange.

Mr. RAKER. You want the land that you have selected now as town sites?

Mr. HUNTER. Yes.

Mr. RAKER. And that the Government could not select that particular tract of land in making the exchange?

Mr. HUNTER. Unless the Government prefers to substitute town sites somewhere else that they would rather have us take.

Mr. RAKER. Has this right of way of the Government of the railroad been surveyed?

Mr. HUNTER. Yes, sir.

Mr. RAKER. Located?

Mr. HUNTER. Yes, sir.

Mr. RAKER. They are building toward it as fast as they can.

Mr. HUNTER. I understand—I saw a clipping yesterday that they had discontinued.

Mr. RAKER. How near are they to the south part, temporarily?

Mr. HUNTER. Temporarily?

Mr. RAKER. How near are they working on the railroad?

Mr. HUNTER. The last time they were working was about 25 miles south.

Mr. RAKER. They would have to go through this territory to get through the objective point in the Willamette Valley?

Mr. HUNTER. Yes, sir.

Mr. RAKER. What is that point?

Mr. HUNTER. Natron.

Mr. HAWLEY. It comes into Eugene.

Mr. HUNTER. Yes.

Mr. HAWLEY. And it would cross over at Springeld and goes down.

Mr. RAKER. In the Willamette Valley?

Mr. HAWLEY. Near Eugene.

Mr. RAKER. And then go from Natron to strike the main line that runs from San Francisco up through California and the Willamette Valley to Fremont?

Mr. HUNTER. Yes, sir.

Mr. HAWLEY. That is right.

The CHAIRMAN. How long has Oregon Co. owned this land that you propose to exchange with the Government?

Mr. HUNTER. Since the middle of November.

The CHAIRMAN. Last year?

Mr. HUNTER. Yes, sir. I was connected with the line prior to that time, and was president of the Oregon Military Land Grant Co. We sold all the lands that got these to a Kansas City outfit, and the Hunter Land Co. retained an agency of sale on this, but did not think of putting the lands on the market until some railroad construction was under way, and then we repurchased from this Military Co., which I had sold entirely out—my interest in which I had sold entirely out.

Mr. PICKETT. I do not know as it is material; but what did you pay for that land?

Mr. HUNTER. When we bought it back?

Mr. PICKETT. Yes.

Mr. HUNTER. \$3.65 and certain back taxes. I do not know what they were.

Mr. RAKER. The land that you sold to the Kansas City Co. was about 250,000 or 300,000 acres?

Mr. HUNTER. Five hundred and sixteen thousand acres.

Mr. RAKER. Now, they disposed of all their land after the method that I suggested awhile ago as to the drawings, did they not?

Mr. HUNTER. I believe they did.

Mr. RAKER. And did they not make out of it in the neighborhood of \$3,000,000 in cash?

Mr. HUNTER. No, sir; I do not believe they made a dollar. So I am informed. They got into a mess and had to build the \$500,000—

Mr. HAWLEY. Did the Booth-Kelley Lumber Co. ever buy any of those granted lands?

Mr. HUNTER. Which the Military Co. acquired?

Mr. RAKER. This will not apply necessarily to this, but I want to show how it would work out. Five hundred thousand dollars of lands were transferred to the Kansas City people. They got the title to it; they got all their cash when the drawing was had—cash money; and they turned over all the reclamation projects and all the other things to the people that bought the land. So, it is up to the people to make good. Is not that right? Was not that the condition that left them in?

Mr. HUNTER. No, sir; their contracts were not paid up at the time they held their opening and the reclamation was undertaken and had to be completed by them.

Mr. RAKER. By the company?

Mr. HUNTER. By the company; yes, sir. I bought a number of the contracts myself, which they agreed to irrigate and which, by the way, have not yet been irrigated, but—

Mr. RAKER. I understood—so as to bring out how it might come into this—from the people themselves that they bought for cash.

Mr. HUNTER. Oh, no.

Mr. RAKER. There were some 350 came into my town on their way to this land and I talked with a good many of them and received some correspondence from some of them, and I understood they paid cash for their drawings. They all appeared at Lake View and drew

so much land, all the way from 10 acres to 2,000 acres, and they got a town lot with the drawings; that there were reclamation projects, etc., to be carried out, and the people that got the land took over all these things—

Mr. HAWLEY. Would you let me ask a question?

Mr. RAKER. Yes.

Mr. HAWLEY. Were those land drawings in Lake View or were they of lands in this section?

Mr. RAKER. Lake View, and scattered all over southern Oregon, which is a part of the Oregon Military lands. This land was sold to the company at that time?

Mr. HUNTER. Yes, sir.

Mr. RAKER. They all understood, to show the relation of things, that there were three fine ranches in our county—Modoc County—and two or three in Oregon. They did not put those lands in the drawings, but the company still held them out. Now, was this land in this drawing or was it held out?

Mr. HUNTER. It was never in the drawings.

Mr. RAKER. They owned it at the time, did they not?

Mr. HUNTER. Yes; but simultaneously—but at the same moment that we disposed of our shares, which gave them control, they executed a contract—an exclusive-agency contract—to the Hunter Land Co. covering this particular area.

Mr. RAKER. At the same time they made the other contract?

Mr. HUNTER. Yes, sir.

Mr. RAKER. But, as a matter of fact, they held out the lands in southeastern Oregon, south and west of Lake View, known as the XL ranch. They held out the XL ranch and all its property in Modoc County, Cal., and what others I do not know, and this land involved here as well, and turned this particular tract over to the Hunter Land Co.?

Mr. HUNTER. I do not know what they did about the other property.

Mr. RAKER. And the other property instead of going into the drawing was held or redeeded from the company to individuals of the company, and they now own it?

Mr. HUNTER. I do not know what connection it has with this thing.

Mr. RAKER. I am going to get at it in a few moments.

Mr. HUNTER. I will say from my own recollection of it that the XL property was included.

Mr. RAKER. The people thought it was, but it was not. They bought out the XL ranch, and I do not know, but about 7,000 head of cattle, and both the Oregon land and the California land.

Mr. HUNTER. I am almost certain it was included.

Mr. RAKER. They own the land now and are renting it?

Mr. HUNTER. I do not know what their methods are, Judge Raker, and I am not in sympathy with them, and never have been.

Mr. HAWLEY. You have no connection with them?

Mr. HUNTER. No possible connection with them, except in the court against them.

Mr. RAKER. All I was trying to do was to show what connection and how they got this land out of them.

Mr. PICKETT. Who did you get this land from—this Kansas City concern?

Mr. HUNTER. This particular land was acquired by me personally from the Booth-Kelley Lumber Co.—from the Oregon Land and Livestock Co., a Eugene or San Francisco corporation—I think San Francisco.

Mr. PICKETT. What year?

Mr. HUNTER. 1906. Here is a prospectus about the whole business.

Mr. PICKETT. When was it transferred the next time? We can not put the prospectus in the record, you know.

Mr. HUNTER. About 1909.

Mr. PICKETT. To whom did you sell them then?

Mr. HUNTER. To the Oregon Valley Land Co.

Mr. PICKETT. Who did they transfer to, and when?

Mr. HUNTER. The particular land in question?

Mr. PICKETT. The particular land in question.

Mr. HUNTER. It was at the same time given to the Hunter Land Co. to resell for that company.

Mr. RAKER. The Oregon Valley Land Co. held all the land—560,000 acres—which included this.

Mr. HUNTER. Yes, sir.

Mr. RAKER. Then, at the time of the drawing or just before, this land was sold by the Oregon Land Co. to the Hunter Land Co.?

Mr. HUNTER. No; years before.

Mr. PICKETT. Sold or just given the agency of it?

Mr. HUNTER. Given exclusively the agency—given, oh, a long time before.

Mr. RAKER. Where did the people remain when the Oregon Land Co. got it? The Oregon Land Co. got the title to this?

Mr. HUNTER. No; I do not think they did. I think it remained in the Oregon Military Land Grant Co.

Mr. RAKER. They did not, when they bought it, take the deed?

Mr. HUNTER. No.

Mr. PICKETT. When you speak of the "Oregon Co." do you mean the Oregon Valley Co.?

Mr. RAKER. The Oregon Valley Co. bought over the 560,000 acres.

Mr. HUNTER. The Oregon Valley Land Co. really never acquired this at all.

Mr. PICKETT. So many names are confused. The Oregon Valley Land Co.—that is the name of it?

Mr. HUNTER. The Oregon Valley Co.

Mr. PICKETT. They acquired it?

Mr. HUNTER. They acquired it from the Oregon Military Land Grant Co.

Mr. PICKETT. When did the Oregon Land Grant Co. transfer the title to somebody, and to whom?

Mr. HUNTER. The Oregon Valley Land Co. never transferred this land at all. I think they defaulted to the Oregon Military Co. regarding it, and the Oregon Land Corporation acquired this title from the Oregon Military Land Grant Co.

Mr. PICKETT. That was last fall?

Mr. HUNTER. The original purchase.

Mr. HAWLEY. That was never consummated.

Mr. HUNTER. No.

Mr. RAKER. Let us see right there. They had an option on all the land.

Mr. PICKETT. Who?

Mr. RAKER. The Oregon Valley Land Co. They had an option on all the land that the Oregon Military Road Co. had.

Mr. HUNTER. I think they had.

Mr. RAKER. About 560,000 acres. They took a deed to some 250,000 or some 300,000 acres. The title then went to the Oregon Valley Land Co.?

Mr. HUNTER. Yes.

Mr. RAKER. The balance of it—but they did not take the title.

Mr. HUNTER. That was after my régime as president of the Military—

Mr. RAKER. To the balance they did not take the title, and then when the matter was disposed of, however it was done, this particular land involved here, the deed then was made by the Military Road Co. to the Oregon Land Co.

Mr. HUNTER. No; the agency, which is a matter of record in Klamath County, from the Oregon Valley Land Co., which defaulted to the Military Co.

Mr. PICKETT. Were you connected with the Oregon Valley Land Co.?

Mr. HUNTER. No; in no way whatever.

Mr. PICKETT. Were you connected with this Oregon Military Road Co.?

Mr. HUNTER. I was president of it.

Mr. RAKER. However, they defaulted. How did the title come from the Military Road Co.; and if it did, where is the title now to this land?

Mr. HUNTER. The Oregon Corporation acquired the land by purchase.

Mr. RAKER. They got the title?

Mr. HUNTER. No; under contract.

Mr. RAKER. Contract; but the Oregon Military Road Co. still held the legal title?

Mr. HUNTER. Yes.

Mr. RAKER. And the Oregon Land Co. had a contract for it?

Mr. HUNTER. Yes.

Mr. RAKER. But, whatever arrangement, whether agreement between them or default, when the matter was disposed of this particular tract of land now involved went to the Oregon Military Road Co. for further disposition?

Mr. HUNTER. Yes.

Mr. RAKER. And did they transfer it then to anyone—give a legal title?

Mr. HUNTER. To the Oregon Land Corporation, under bond for deed—warranty deeds.

Mr. RAKER. I wanted to finish this up. I will get that straight. It will take me but a moment.

Mr. PICKETT. If you can, all right.

Mr. RAKER. Well, we will get it straight.

Mr. PICKETT. There are so many of these different names.

Mr. RAKER. Let me get the names, and then I can ask questions.

Mr. HUNTER. Judge, I will give you all that data you want.

Mr. RAKER. Now, the Oregon—what is this matter of Oregon Military Road Co.; that is the original is it not?

Mr. HUNTER. Original?

Mr. RAKER. Yes.

Mr. HUNTER. Yes, sir; Land Grant Co.

Mr. RAKER. Oregon Military Road Co.?

Mr. HUNTER. No; Land Grant Co.

Mr. HAWLEY. Oregon Military Land Grant Co.?

Mr. RAKER. Oregon Military Land Grant Co. Very well. Now, they made an arrangement to dispose of all their land, about 560,000 acres, to whom or to what company?

Mr. HUNTER. To the Oregon Valley Land Co.

Mr. RAKER. All right. Are there any companies which have got anything to do with that land except those two—the title of it?

Mr. HUNTER. The Oregon Land Corporation now, that is—

The CHAIRMAN. The present owner?

Mr. HUNTER. What?

The CHAIRMAN. The Oregon Land Corporation is now the present owner.

Mr. RAKER. Let us see, the Oregon Military Land Grant Co., by means of various conveyances, got all of this land, about 560,000 acres, and held the legal title to it in about 1909?

Mr. HUNTER. Yes.

Mr. RAKER. They made a contract with the Oregon Valley Land Co. to deed them this land?

Mr. HUNTER. Yes.

Mr. RAKER. They did deed about 300,000 acres of this, or about that, and the Oregon Valley Land Co. disposed of that land?

Mr. HUNTER. Yes.

Mr. RAKER. There was about 250,000 acres of land that the Oregon Military Land Grant Co. agreed to sell to the Oregon Valley Land Co. That was not consummated, and by some arrangement, whatever it might be, the Oregon Military Land Grant Co., after default or other arrangements, whatever they might be, with the Oregon Valley Land Co., turned around and made a deed of the land that was consummated with the Oregon Valley Land Co.—with and to the Oregon Land Corporation; and the Oregon Land Corporation is the one now holding the land which is involved here.

Mr. HAWLEY. Not the 560,000 acres?

Mr. RAKER. This particular tract.

Mr. HUNTER. The Oregon Land Grant Co. owned by purchase of these lands. I was then president. We contracted the lands to the Oregon Valley Co. Shortly afterwards, then, the president of the Oregon Valley Co. said, "I wish to buy the control and all the shares of the Oregon Military Co."

Mr. PICKETT. Who said that?

Mr. HUNTER. R. G. Martin, the then president of the Valley Co. I said, "All right, the Hunter Land Co. will sell you its shares," which represented 62½ per cent of the entire issue—when I say Hunter Land Co. I mean myself and my brother—but in making that sale to you you must give me back, or give back to the Hunter Land Co., the exclusive right to sell the 50,000 acres in question before this committee.

Mr. LAFFERTY. Pardon me. May I ask a question?

The CHAIRMAN. Sure.

Mr. LAFFERTY. Sell at a certain price?

Mr. HUNTER. Certainly.

Mr. LAFFERTY. Then you obtained an option to buy it back?

Mr. HUNTER. Certainly. For a period of three years as this Valley outfit was constituted they did not include this land in the opening, because there were no railways anywhere near it. Very well. The Oregon Valley Co. failed to live up to their agreement—

Mr. PICKETT. That was after the president of the company had all the shares in the Military Road Co.?

Mr. HUNTER. It was. I stated that he did. I do not know that he ever did. In case I parted with my holdings and no longer became identified with the Military Co.—

Mr. PICKETT. You parted with them to him?

Mr. HUNTER. To him.

Mr. PICKETT. Yes. Go ahead.

Mr. HUNTER. They broke their contract and we intended to sue them for damages—for breach of contract. The purchase by the Oregon Land Corporation, which is half owned by the Hunter Land Co., was a compromise arrangement to avoid litigation.

Mr. PICKETT. What breach of the contract did you complain of?

Mr. HUNTER. They claimed—the Valley Co.—that it had failed to pay a loan of something and had lost, and that the lands had reverted to the Oregon Military Road Co., and that they were no longer owners of the land, which we did not believe, but I could give you, Judge Raker, all this matter. I do not see why we are encumbering this record here. I can give you the whole history.

Mr. PICKETT. That is what we want in the record.

Mr. RAKER. That is what we want; to get it in the record of the subcommittee.

Mr. HUNTER. The title to those lands is as absolutely near perfect as any lands in America. Reference to the records of the Supreme Court, and subsequent abstracts brought down to date. There can not be any question raised by anyone regarding the titles of these lands.

Mr. RAKER. We have given full credit to your statement. The record would show where the title was. What strikes me as peculiar is, if the Oregon Valley Land Co. did not get absolute title how could they convey title to anybody? Is not that right?

Mr. HUNTER. The Oregon Valley Co., I believe, conveyed title to any lands they ever did have.

Mr. RAKER. Then those they put in the drawings they get title to—deeds?

Mr. HUNTER. I presume they did.

Mr. RAKER. They had to convey legal title. did they not?

Mr. HUNTER. Yes.

Mr. RAKER. There were certain parts of the land they held back and did not get deeds from the Oregon Military Roads grant?

Mr. HUNTER. I can not answer that. I was not identified with the company.

Mr. RAKER. That had to be, I think, unless the Oregon Valley Land Co. got the title to all of it. Is not that right? Now, what

I want to know is, how did the Oregon Land Co. get title from the Oregon Military Road Co., or is the contract still out between the Oregon Valley Co. and the Oregon Military Road Co.?

Mr. HUNTER. It is not. The records in Klamath County show a perfect title to-day.

Mr. RAKER. Are there any suits pending between these various companies?

Mr. HUNTER. None whatever.

Mr. RAKER. The contract has expired?

Mr. HUNTER. It has: cleaned up by quit claims and other necessary instruments.

Mr. RAKER. Were these contracts recorded?

Mr. HUNTER. They were made a matter of record.

Mr. RAKER. I see.

The CHAIRMAN. What is the name of the grantor in the deed to the present company?

Mr. HUNTER. The Oregon Military Land Grant Co.

The CHAIRMAN. The original company that owned the land?

Mr. HUNTER. Yes, sir.

Mr. RAKER. Did the Oregon Military Co. have any claim of right to those lands?

Mr. HUNTER. None whatever. Or what is here held by H. A. Hunter, the president (myself), and I am willing to now give them back to the Government.

Mr. RAKER. We have got that straightened a little bit, but not very clearly.

The CHAIRMAN. It looks like the Government would have to have considerable investigation of the title made before the exchange could be effected.

Mr. HUNTER. The abstracts will show that.

Mr. RAKER. Have you an abstract?

Mr. HUNTER. I have not it here, but you can get one—a perfect abstract.

Mr. RAKER. There has been a misunderstanding by the committee here.

Mr. PICKETT. Before you answer that—

Mr. RAKER. Yes.

Mr. PICKETT. Will you be kind enough to let us have this Exhibit A and then mark the different maps "A," "B," "C," or something?

Mr. RAKER. I will designate it.

Mr. PICKETT. So that the testimony in this part of the record may be clear.

The CHAIRMAN. Give them to the stenographer.

Mr. RAKER. I have marked "A," the plat we have been talking about as to the north and south having the land that was in the former hearing. The committee understood before; I know I did. I asked the question to that extent, that the water on all of this tract of land on Exhibit A would flow south. I find now, from examination of the map, that that is not correct, and I am going to ask a few questions on it. Coming from Fish Lake, on this Exhibit A, the water flows south and east. That is right, is it not?

Mr. HUNTER. Yes, sir.

Mr. RAKER. There is a stream marked here on the north part known as the "East Fork of Deschutes" that flows north and east?

Mr. HUNTER. Yes, sir.

Mr. RAKER. And also from Crescent Lake that flows practically eastward?

Mr. HUNTER. Yes, sir.

Mr. RAKER. And the two branches join on the northeastern corner of the land. That tract on the north would be irrigated by ditches taking water from these streams and the ditches would be taken from the water which would flow north. Is not that right?

Mr. HUNTER. That would be the natural way for it to go, unless you run your mains around along the sides of the hills, and let the water flow in a different direction; for instance, some of these streams do run this way. The Coral stream runs about in that direction, southeast again.

Mr. RAKER. You would have two systems if you handled it all—two irrigating systems?

Mr. HUNTER. Certainly.

Mr. RAKER. Separate, complete, and distinct?

Mr. HUNTER. Yes, sir.

Mr. RAKER. Had you contemplated irrigating the north part from the two branches of the Deschutes River? Have you completed this?

Mr. HUNTER. Yes, sir.

Mr. RAKER. Have you made any ditches?

Mr. HUNTER. No.

Mr. RAKER. Made your surveys?

Mr. HUNTER. Yes, sir.

Mr. RAKER. And designated on the ground where they shall go?

Mr. HUNTER. Not definitely.

Mr. RAKER. Not definitely. Well, have you approximately designated on the ground where it will go?

Mr. HAWLEY. Just a moment. Let me show you these maps. I do not think you have seen them yet. They were sent to me from Oregon by the representatives there. They show the approximate location.

Mr. RAKER. The large blue-print map?

Mr. HAWLEY. Two of them. This is No. 1.

Mr. RAKER. Which is the north half? [After a pause:] The blue print No. 2 is the north half of the land involved and the blue print marked No. 1 is the south half. Are the red lines marked on blue print No. 2 approximately as you have your system for irrigation?

Mr. HUNTER. I believe so.

Mr. RAKER. And that one on No. 1 for the north half the same?

Mr. HAWLEY. South half.

Mr. RAKER. South half—the same. Is that right, Mr. Hunter?

Mr. HUNTER. I believe so.

Mr. RAKER. Now, when did you make your application for your water rights on this?

Mr. HUNTER. I do not remember.

Mr. RAKER. Approximately.

Mr. HUNTER. A year or two ago.

Mr. RAKER. Take the south half, now. Have you complied with the law, with the intention of using this water for irrigation purposes on your land, as you understand it?

Mr. HUNTER. Yes, sir.

Mr. RAKER. Up to date what have you done?

Mr. HUNTER. Well, made the surveys as shown here on the maps.

Mr. RAKER. Have you made any applications to the Secretary of the Interior for right of way across the Government land?

Mr. HUNTER. Except with the local Government office at Oregon, I suppose it is, I do not think we have.

Mr. RAKER. Then neither to the south half nor to the north half have you made any survey or maps or plats for application to the Secretary of the Interior to go over the Government lands with your canals and ditches for the purpose of irrigating your land?

Mr. HUNTER (to Mr. Hawley). Is that so? I am not certain. I do not know absolutely about it. It may be that we have not.

Mr. RAKER. What right do you claim to this water on the north? What makes you claim that?

Mr. HUNTER. Filing.

Mr. RAKER. Just making the filing and making some of the preliminary surveys. Is that right?

Mr. HUNTER. We made an absolute survey, meandered the lakes, and measured the water, and filed upon it, and paid the fee.

Mr. RAKER. You have not meandered the ditches yet, actually, have you?

Mr. HUNTER. I believe so. These maps show that. I don't know much about this engineering business. That is under somebody else's management.

Mr. RAKER. Have you done the same to the south half?

Mr. HUNTER. I believe so. Here are the maps [indicating].

Mr. RAKER. You have not done any work on either so far as the actual excavation of the ditches is concerned?

Mr. HUNTER. I do not think so.

Mr. RAKER. Built any dams for the purpose of impounding the water?

Mr. HUNTER. No, sir. We are not required to do that nor to commence it until April 1 of this year.

Mr. RAKER. I was seeking for information. You would not be giving the Government anything, then, by virtue of that exchange, so far as the water right is concerned, would you?

Mr. HUNTER. I would be giving about four years of my effort and several thousand dollars in expense in the preliminary work.

Mr. RAKER. Unless the Government then took up and continued the irrigation system that you have planned out, with your surveys and maps and plats, it would be no good to the Government, would it?

Mr. HUNTER. I should think the water rights would be, certainly.

Mr. RAKER. The Government could have no water rights unless it proceeded to utilize them.

Mr. HUNTER. Not—is not necessarily along our lines, would they, Judge?

Mr. LAFFERTY. May I ask a question there?

Mr. RAKER. Sure.

Mr. LAFFERTY. Was this water to the north in a forest reserve when you filed on it at Salem with the State engineer or outside of the forest reserve?

Mr. HUNTER. I could not answer that.

Mr. LAFFERTY. You spoke about relinquishing. If you should relinquish to-day, could not John Smith file on it to-morrow?

Mr. HUNTER. Certainly.

Mr. LAFFERTY. How could you give the Government anything by relinquishing it? But I do not believe John Smith could file on it to-morrow, if it is inside of the forest reserve. I think you must have made your filing before—put in the forest reserve.

Mr. HUNTER. As I recall my filings they were prior to the present Oregon law.

Mr. PICKETT. Can you not give the year or month your filings were made?

Mr. HUNTER. The papers will show that. I do not recall now.

Mr. PICKETT. Where are all these papers?

Mr. HUNTER. At Salem; our copies, I presume. [To Mr. Hawley:] Are they there?

Mr. HAWLEY. They would be in the State engineer's office of the State of Oregon.

Mr. RAKER. I see that the Government has particularly included in this reserve this lake and clear out around for the purpose of including the boundaries within the reserve. You do not know whether this reserve was created before you started to work or not, do you?

Mr. HUNTER. I do not. I think that my filings were made prior to the present Oregon water-rights law, but I do not remember the date.

Mr. PICKETT. Do you not know—pardon me—it seems to me you ought to know, if you do not know, whether you made them last year or the year before last or the year preceding the year before last; it seems to me you ought to know within a year you made them.

Mr. HAWLEY. Were they made by you or the other representatives of your company?

Mr. HUNTER. By me; and I think they were made year before last.

Mr. PICKETT. That would be 1910?

Mr. HUNTER. Yes, sir.

Mr. RAKER. As to your right to the water and the water rights that you may have obtained by virtue of your filings and your work, is it not a fact that under the Oregon law they would revert and be open to any subsequent filing by anybody the moment that you fail to comply with the law at a certain date?

Mr. HUNTER. Yes, sir.

Mr. RAKER. Then, if the Government took a transfer of these water rights that you now claim, it would have to proceed under the Oregon law to consummate and complete this system, the same as you have started it, or they would lose the rights, would they not?

Mr. HUNTER. I presume so.

Mr. RAKER. Well, now, is it advisable, is it a worthy project, or one that a man could expend money on individually or that the Government could spend money on to continue that and to have it for the irrigation of this land, in the north of this tract of land?

Mr. HUNTER. I should say that the Government could use it to ten times better advantage by using it on lands lying farther to the north and at a much lower elevation.

Mr. RAKER. Why could not you?

Mr. HUNTER. Because we do not own the land.

Mr. RAKER. Who does?

Mr. HUNTER. Either the Government or some Carey Act company.

Mr. RAKER. If the Carey Act company owns the land now, it would not do the Government any good to get the water right, would it?

Mr. HUNTER. I do not think the Carey Act companies do.

Mr. HAWLEY. I do not think there are any Carey-Act companies in that country. I think they are generally public lands lower down in the Deschutes River—thousands of feet lower elevation.

Mr. RAKER. If you completed your water system you would have it for these lands below whether Carey-Act Government land or private individuals, would you not, just the same?

Mr. HUNTER. I do not know.

Mr. RAKER. Why not?

Mr. HUNTER. If that is true, why do we have to give our preliminary and definite surveys in order to hold it?

Mr. RAKER. That is under the Oregon law.

Mr. HUNTER. Oh.

Mr. RAKER. That is a very comprehensive and expensive statute of Oregon showing what a man must do to get a water right in Oregon, and he must do such things; is not that right?

Mr. RAKER. Under the United States law, getting a right of way over United States forestry lands, or over the Government lands, you have to take up the same matter with the Government and get permission to cross the Government land through the Secretary of the Interior and the Department of Agriculture. That, I understand, you have not attempted to do?

Mr. HUNTER. Except that I remember speaking to the local forester, and he said that it would be all right and it was unnecessary at this time.

Mr. RAKER. Why unnecessary?

Mr. HUNTER. I do not know.

Mr. RAKER. Do you not know, from your examination and the advice of your counsel—have they not advised that you can not cross a foot of land or get one single right there until the Government has given you that permission?

Mr. HUNTER. I spoke to the State engineer of Oregon on that very subject—at least that is my best recollection now that he said it—certainly, I have carried it with me all this time—that if we bought with the State, under the present water law, that there is an understanding with the Government that we will be saved. The subject came up, because a man from Boise, I think, filed—

The CHAIRMAN. I do not see how this is going to help this committee.

Mr. RAKER. If there is such an understanding.

The CHAIRMAN. He is talking about a man from Boise who filed—

Mr. RAKER. If there is such an understanding between the officers of Oregon and the Land Department I want to know it, as a member of this committee, and I want to know why the same understanding is entered into with the same States upon the same matter. I realize that in the State of California we have our water law and we must comply with the State law, and, in addition to that, we must comply literally with the Government—national acts to cross the reserves and under the rules and regulations of the Department of the Interior and the Department of Agriculture.

The CHAIRMAN. The idea I had in mind was that what somebody told him in Oregon of the understanding was not the best evidence of the understanding. That ought to be a matter of record here.

Mr. HUNTER. Except, Mr. Chairman, that the man who made the statement was our State engineer that we seem to run to in such matters.

The CHAIRMAN. The committee would have to go to headquarters on a matter of that kind.

Mr. HUNTER. Whether our title as yet to the water has been approved I am not prepared to state. From what you gentlemen say I should think it was not, but we will expect, of course, to conform to the Government regulations.

Mr. RAKER. It would never be perfect except you used it for beneficial purposes?

Mr. HUNTER. Certainly.

Mr. RAKER. And complied with the law, both State and National. Your title is always dependent upon beneficial use. That is right, is it not?

Mr. HUNTER. Yes.

Mr. RAKER. Pass on to another matter. Why can not you go ahead and carry out your project just as you have without changing with the Government?

Mr. HUNTER. We would probably intend to do that, but it would be more expensive for us to do it by far.

Mr. RAKER. If you did it and carried it out, would it not open up more land for actual settlement and use, you putting your land already under cultivation by irrigating it and then putting it under cultivation, and the Government throwing open to settlement all of this land that is susceptible of cultivation.

Mr. HUNTER. Then do away with this land: I would sooner keep our land.

Mr. HAWLEY. I would like to make a statement, if Judge Raker will permit. If this bill is reported favorably by the committee and it becomes a law, then here is a compact body of land ready to be irrigated from a locality and because they are compact, not alternate sections, they can be irrigated at very much lower cost and therefore at a lower cost to the settlers. I am of the opinion that when the exchange is made the present company will lose all its filings up there by the failure to dig the canals or irrigate the land, but there is a small area only up in here [indicating] that can be irrigated; but down the Deschutes River here and west the river falls quite rapidly for awhile and then here [indicating] is a wide valley. That is about 2,000 feet lower than this. This is very good sagebrush land, you know; some of the best sagebrush land we have in the country.

Mr. RAKER. Sure.

Mr. HAWLEY. If the exchange is not made, whereas if this exchange is made then the water here [indicating] will be used to the best advantage, and then water can be conserved and carried down to irrigate this lower land in very large areas of 10,000 acres, instead of irrigating a small portion of land up here [indicating]. It will leave this vast supply of water up here available for all this bench of sagebrush lands below.

Mr. ESTOPINAL. Whose lands are those?

Mr. HAWLEY. They belong largely if not altogether to the Government. The Deschutes Railroad is going through that section, and is going to open it up.

Mr. RAKER. Mr. Hunter, is not your idea, as a public citizen, that it is a wrong policy of the Government to tie up farming lands, lands that can be used for farming purposes?

Mr. HUNTER. Practically: yes.

Mr. RAKER. Then this land in the south part is agricultural, and with water on it it could be available for the Government to dispose of it to settlers?

Mr. HUNTER. Yes; but—

Mr. RAKER. Now, take the north tract: If you irrigate this the Government will be in a position to have its water under the irrigating system, whatever water is used on these higher lands, the surplus and the seepage must get back into these creeks before it leaves this highest altitude. Is not that correct?

Mr. HUNTER. Yes.

Mr. HAWLEY. The water does not evaporate?

Mr. RAKER. The water does not evaporate. It will utilize that land and utilize the water. The balance will be in shape to carry on down to the lands below, whereas, I think, the water up here [indicating] is going to waste now.

Mr. HUNTER. All of which is perfectly true, Judge Raker, but to irrigate our little patch in there, we propose to put in little earthen rock dams that will conserve just enough for our requirements and not an additional acre. On the other hand, you can conserve, by your own Government expert's figures, water enough for 1,000 acres of such land, and do it at one operation and can afford to. We can not. We do not intend to afford to do it if we could.

Mr. RAKER. Do you not think it would be the wrong policy for the Government to throw open or to trade this land that is easy and accessible or which will be to the railroad and water that can be had upon it for the land up farther north where it will be harder for the Government to handle it, and the Government will have to pay more to irrigate it?

Mr. HUNTER. Why would the Government have to pay more to irrigate it? I think they can irrigate it for less. It is very questionable whether we could use one drop of that water down through this pass, except with an expensive tunnel, whereas the water conserved in the north will run in its natural river beds that it has been running in for a thousand years, right down onto your Government land that we do not enter.

Mr. RAKER. Are they not using it on that Government land now?

Mr. HUNTER. No. They are not using one-millionth part of it.

Mr. RAKER. Why do they not?

Mr. HUNTER. I do not know.

Mr. HAWLEY. That country is comparatively undeveloped country?

Mr. HUNTER. Until the middle of October last there was not a train within 150 miles of there.

Mr. PICKETT. How many acres are there down here [indicating] that you own, below the center of the line of township 27 south?

Mr. HUNTER. Here [indicating]?

Mr. RAKER. Yes; approximately.

Mr. HAWLEY. About half.

Mr. PICKETT. I want to get this in the record.

Mr. HUNTER. Say, 32 sections.

Mr. PICKETT. Thirty-two sections?

Mr. HUNTER. Approximately speaking.

Mr. PICKETT. There is approximately the same amount owned by the Government?

Mr. HUNTER. Yes, sir.

Mr. PICKETT. How much will this irrigation plant of yours cost to irrigate this portion below the center line of township 27 south?

Mr. HUNTER. We figure about \$17.50 an acre.

Mr. PICKETT. You sell the land at \$12.50 an acre, I understood you to say?

Mr. HUNTER. For the raw land.

Mr. PICKETT. For the raw land, and what would be the terms?

Mr. HUNTER. The present terms?

Mr. PICKETT. For use of the water, whatever you call it out there—water rights or water lease?

Mr. HUNTER. We have not decided on any terms for the water yet. They will be reasonable. Roughly speaking, I should say that if we sell the land and water at \$40 an acre, that if we got a down payment of one-sixth and in some instances one-tenth we would be perfectly satisfied to have the balance in one, two, three, or five years, not to exceed 6 per cent interest.

Mr. RAKER. If an exchange was made and the company had all of the land south of the line designated, the idea would be to put it in one great body and sell it off with the water rights?

Mr. HUNTER. Yes, sir.

Mr. RAKER. And you would sell it for, say, \$30 an acre, or whatever it would be, with water rights?

Mr. HUNTER. Yes.

Mr. RAKER. After it was all sold off, the parties who bought the land and the water rights connected with it, would then from that on have to maintain it themselves?

Mr. HUNTER. Certainly.

Mr. RAKER. The company would dispose of both water rights and land?

Mr. HUNTER. It would.

Mr. RAKER. And the people that bought would then have to go in together and maintain it?

Mr. HUNTER. Yes.

Mr. RAKER. They would each own a certain right in the water?

Mr. HUNTER. Priority of right in their ditch.

Mr. RAKER. Yes. Now, is there enough water—can there be enough water developed for the south half to irrigate it all?

Mr. HUNTER. I doubt it very much.

Mr. RAKER. Well, then, why do you want the land?

Mr. HUNTER. Because we propose to sell it where we irrigate one-half, if necessary.

Mr. RAKER. How is that?

Mr. HUNTER. Here is a country that is level. A man can irrigate the north half of his 80-acre piece.

Mr. RAKER. Yes.

Mr. HUNTER. This year.

Mr. RAKER. Yes.

Mr. HUNTER. And plant it in clover. There is not sufficient water to irrigate his whole 80-acre piece. Here he could apply the water to the south half of the piece.

Mr. RAKER. It is your idea, is it not, that if you owned the Government land and had a title to it in land that the company now owns, it would be one compact body of about 40,000 acres?

Mr. HUNTER. Yes.

Mr. RAKER. You figure now on having sufficient water from the system that you are working on for this 40,000 acres to make it enough in fact to successfully farm this 40,000 acres?

Mr. HUNTER. If you use the word "farm" I say emphatically yes, because these irrigators imagine that plants are largely aquatic; they drown them out. They would be better off if they had half as much water as they have, and that is just the very reason. Very good results may be had by wetting it every second year. I am firmly convinced that is sufficient.

Mr. RAKER. If you completed your plant now you would have an abundance of water for the 20,000 acres that you now own?

Mr. HUNTER. I hope so.

Mr. RAKER. Well, do you not feel certain?

Mr. HUNTER. I feel it; yes, sir.

Mr. RAKER. And willing to go further to think that you have enough to irrigate the other 20,000 acres now owned by the Government and to have sufficient water to successfully farm it?

Mr. HUNTER. Yes, sir.

Mr. RAKER. If that is the case, you people would not be injured in any way, shape, or manner; it would be to your advantage if you went right ahead and completed your irrigation system and got your ditches over the land, and the Government would be compelled then to throw open this land to settlement?

Mr. HUNTER. Will it?

Mr. RAKER. Would it not?

Mr. HUNTER. If it will, do not let us discuss this any more, because we are not going to stand here to give this Government this beautiful yellow pine in order to get it to throw open to the public the land, because we will keep our yellow pine and we will command that land, and I will give away those homesteads, as we did in the case of North Dakota, and pay the filing fees.

The CHAIRMAN. You do not think the Government will open it?

Mr. HUNTER. They will not.

Mr. RAKER. How can you give away a homestead?

Mr. HUNTER. Because we originate and pay the filing fees of our farms in the area I will show you here.

Mr. RAKER. You sold them the water right?

Mr. HUNTER. Here is the case.

Mr. LAFFERTY. That is not it.

Mr. HUNTER. Here is the case where there was a great area of comparative arid lands. They were alternate sections.

Mr. LAFFERTY. Railroad land granted to you all through there?

Mr. HUNTER. From the Northern Pacific.

Mr. RAKER. You did not answer my question, which is this: How much did you charge them for water?

Mr. HUNTER. This is not an irrigated district.

Mr. RAKER. What did you get out of it?

Mr. HUNTER. We sold alternate sections: but if you will permit us to give homesteads away there, to bring in settlers, we need not discuss this bill any longer: but you will not do that, and this Government would do it, and that is why we are discussing it here.

Mr. RAKER. Is not that the sole object of the Government? It has this land for the purpose of disposition to its citizens, to make homes upon it, and why should not the Government open this for homesteaders the same as any other land that is susceptible of homesteading and farming? Can you give us any idea?

Mr. HUNTER. Without water, Judge Raker, it is very questionable whether the Government is not justified in withholding at present just that particular body of land. It has been opened for settlement, I am told, and one settler, to my certain knowledge, has gone and been courageous enough to do so; but unless some company goes in there and guarantees them at least some water for domestic or stock purposes, at least, I do not think that we could cast a stone at the Government or at the Forestry Bureau.

Mr. RAKER. You are not casting a stone at anyone. I am simply trying to get the facts of the matter, so that we may thoroughly understand it. Do you contend, if you build your ditch, to give them water around over your land, and it is 20,000 acres south of the line we speak of, that you will not be compelled to sell to the other people in there that were not on your land under the original offer?

Mr. HUNTER. We would not be compelled to sell them water until we had supplied our area. If we had any more water, we would be only too delighted to sell it.

Mr. LAFFERTY. May I ask a question right there? Would you be satisfied, as a substitute for the pending bill, that after its passage the Secretary of the Interior should throw open to settlement and homestead entry all of the Government-owned land south of the line you have designated?

Mr. HUNTER. South?

Mr. LAFFERTY. A bill providing that those lands should be open to settlers south of the line there you have designated?

Mr. HAWLEY. Of the tract?

Mr. HUNTER. They will have separated us by that time.

Mr. LAFFERTY. Are you willing to abandon this bill and put in this substitute bill opening those lands to settlers instead of giving them to you?

Mr. HUNTER. We would be delighted, and would very much prefer it.

Mr. PICKETT. Let me ask you a question: What is the value of these lands north of this center line that you own?

Mr. HUNTER. Oh—

Mr. HAWLEY. How much would it run to the acre 4-foot yellow pine?

Mr. HUNTER. I have not the remotest idea. I would not know it. If I were in the middle of the timber section, I could not tell you whether it was worth \$50 an acre or \$5 an acre. I do not deal in timber.

Mr. RAKER. I would assume that, knowing the property as you do, you would have some idea as to its value.

Mr. HUNTER. We buy lands, Mr. Pickett, in large areas for settlement, and put farmers upon it, and if in areas we acquire there are timber tracts we usually sell it to some timber outfit.

Mr. PICKETT. Yes; but where there is any large percentage of timber tracts you must form some opinion as to the value of your tract.

Mr. HUNTER. We never have had it cruised.

Mr. PICKETT. What is the relation to the total price you are paying?

Mr. HUNTER. We have not had it cruised, nor have we had time yet.

Mr. PICKETT. You spoke a little while ago of its being valuable land. I want your idea of it.

Mr. HUNTER. I am using the Government's cruisers and experts' report as to that.

Mr. PICKETT. What do they say about that?

Mr. HUNTER. If you refer to the hearings, Mr. Whistler states that the value would be about \$3.50 per 1,000 feet—a little over \$5 a thousand close to the railway—when the railway is there. As to how many thousand feet, I have not the remotest idea.

The CHAIRMAN. Your company has had no valuation placed on it?

Mr. HUNTER. None whatever.

The CHAIRMAN. Are there any further questions?

Mr. RAKER. You would have to cross the Government land to make the ditches here, would you not—in the south part?

Mr. HUNTER. Yes, sir!

Mr. RAKER. Well, then, you could not do anything without crossing their land?

Mr. HUNTER. I do not see how we could.

Mr. RAKER. If it was one of their conditions that you must sell water to other applicants as well as furnish it to yourself, the applicants going in there to file on this land would be entitled to the water after paying you for it just the same as those upon your land, would they not?

Mr. HUNTER. Certainly; if we have a supply sufficient to give it to them. The Government need not impose that, for we will agree to give it frankly, and at the same rate precisely, making allowance for the value of the land, as the other settler pays.

The CHAIRMAN. Are there any other questions?

Mr. HAWLEY. Mr. Chairman, I would like to make this one suggestion: Just south of this is the Klamath project, where the people had the right to go in and file on the land, and got the land from the Government on the usual terms of homesteading, and the water right on the land I think now is \$35 an acre, and if this land is opened up to settlement and sold at the prices they state they will sell it for, the people who go up here and settle will be, if they sell at \$30, which they hope to, at an advantage over the Government project, and I am very much interested, of course, being a Member from the State of Oregon, in having just as many settlers come into our lands as possible, and if these were the only lands left open to settlers, so that it was down to a point of saving every acre by having them irrigated, if possible, and throwing them open to settlement, it would be a

different proposition; there are millions of acres of land in Oregon open to homestead settlements. I can take people out, to my certain knowledge, to good lands open for homestead settlement, and they will have to come in competition with all that, and if we can get 40,000 acres here, settlers along the line of the new road, raising crops and putting people in there, it will be for the benefit of our section of the country, and the whole country. It will provide homes for a very large number of people coming in from the outside, because very few people from Oregon will go over, but mostly people from outside, and it will provide homes on most favorable terms for a large number of people.

The CHAIRMAN. This is in your district?

MR. HAWLEY. This is in my present district. After the next Congress it will be from the third district, but at the present time I represent this portion of the State.

The CHAIRMAN. Are there any further questions. [After a pause.]

(Some one else spoke here, not the chairman.)

I would like to ask one more, Judge Raker, if I may be permitted. All this bill proposes to do is to authorize the Government through its Department of Agriculture to exchange certain lands that are now of very little value, according to Mr. Potter's testimony given here before the committee, to the Government, for lands that are very valuable to the Government, on the ground that it is producing the best kind of timber growing on the eastern side of the Cascades, and the Government, from the standpoint of the way it stands now, will make an advantageous exchange. If the company gets anything out of it at all, it assumes the risk and the burden of making it profitable, and the State of Oregon and the country will have the advantage of making ready for settlement some 40,000 acres of land. The Government will be advantaged by that, because it will provide homes for people, and the Government has already the advantage of getting some very valuable pine land and consolidating its forest holdings and getting its land for settlers out of land not so valuable.

MR. HUNTER. And improving fire limits of fire control.

MR. LAFFERTY. I just merely want to say that I am in sympathy with the careful investigation that has been made by the Public Lands Committee as to this, and from all that has been developed I am of the opinion that it ought to be passed, in the interest of the Government, because the Forestry Bureau seems to think it is proper, and I do not see any harm that could possibly come to the Government. It is only a small body of land, as Mr. Hawley says, it was the area opened to homestead entry in Oregon. Mr. Hunter I have known for two or three years. He is known as a remarkable land man. He is a genius in his line, and I think thoroughly honest and reliable. This grant of this Southern Oregon Military Wagon Road Co. of thousands of acres, years ago, was contested in the courts—but Mr. Hunter had nothing to do with that—on the ground that the wagon road was never built, and another contention—I believe that some Indian rights conflicted with it. Before Mr. Hunter showed up on the scene the Supreme Court had decided that the Southern Oregon Military Wagon Road Co. acquired the title under

the grant. There were no restrictions like in this railroad grant that we have, requiring sales to the settlers; it was absolutely a simple grant. The title has come on down in the past five or six years to this Oregon Land Grant Co., and the Oregon Land Grant Co., of which Mr. Hunter was president, sold its stock and transferred its lands to a Kansas City company—that from the questions of Judge Raker I should assume promptly they were guilty of some sharp practices in disposing of their lands, and may have made some misrepresentations.

Mr. RAKER. Let me interrupt. I did not say they were guilty of sharp practice.

Mr. LAFFERTY. I, in fact, knew nothing of that. I would not recommend this committee to adopt this bill if it would aid any land company to go out and impose upon any of the people of the United States. Here is a company which must sell its irrigated lands, and of course a great many private corporations are doing that. I believe Mr. Hunter is responsible, and I know his two associates in Oregon much better than I do Mr. Hunter. Mr. Stinchfield is a man whose father lives in Portland, or is interested largely in Portland, and is thoroughly reliable in every way; and the third gentleman, I can not recall his name—

Mr. HUNTER. Hyskell.

Mr. LAFFERTY. Mr. Hyskell was a native Oregonian, formerly in the newspaper business. These three men—Hunter, Hyskell, and Stinchfield, jr.—composed the Oregon Land Corporation. There is not a more reliable man in the State than Stinchfield, and if water is put on this south half I am confident there will be no misrepresentations to the public. If there should be the State of Oregon should see to it that not any parties of the kind of that Kansas City crowd are there doing business. If they defraud the public they ought to be prosecuted.

Mr. HAWLEY. Mr. Chairman, I would like to offer this telegram, which was sent to me to file with the committee. The question came up in this hearing as to about how long this corporation would be compelled to begin the actual physical work of constructing ditches, and in order to get something for the record I wired the State engineer, and he wires me as follows [reading]:

SALEM, OREG., February 29, 1912.

HON. W. C. HAWLEY,
Washington, D. C.:

Time for completion of water right. Application of the Oregon Land Corporation, by H. A. Hunter and C. M. Hyskell, will be extended until the close of the present session of Congress.

JOHN H. LEWIS, State Engineer.

Before that date, if the exchange be made, it must actually begin physical construction of this, and I would like to offer this and urge the committee to take the action it does take immediately, if the exchange is made, so that they can begin work on the lower half; and if no exchange, that they can begin such operations as will protect them in their rights.

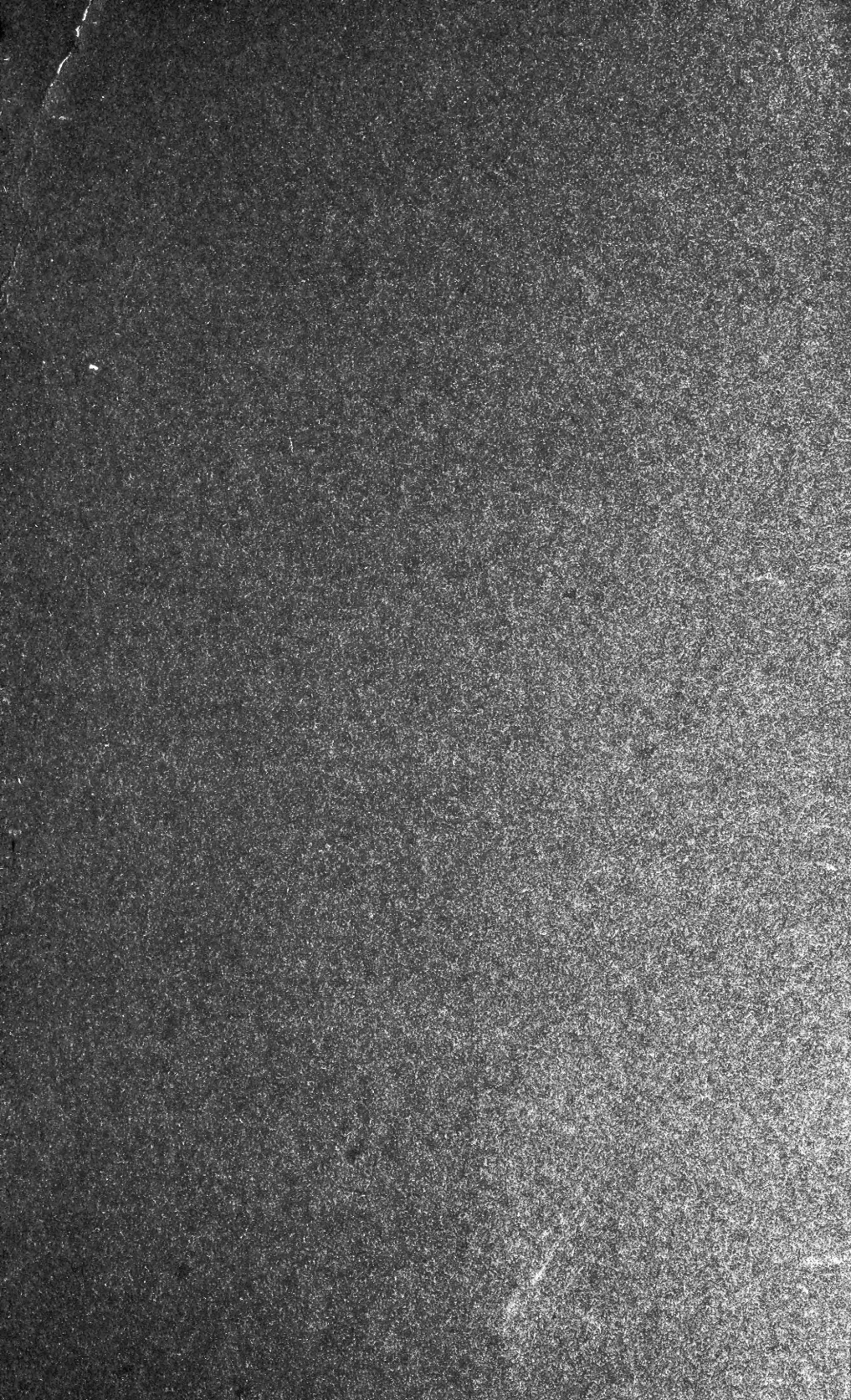
Mr. RAKER. Referring to the Kansas City company and the exchange of land in southern Oregon, I was not making any accusations against anyone, but just giving a statement as I had under-

stood it. Whether all true or not I could not say, and I was trying to find out the present status of the land involved here, and to see why the Oregon Land Co. did not turn over all of its land in the drawings that it had at Lake View, with the balance that it turned over at Lake View.

The CHAIRMAN. If that is all, the committee will stand adjourned. We can not act on this, of course, until we get the report of the hearing.

Mr. HAWLEY. We are very grateful to you, gentlemen, for coming out this afternoon.

Thereupon, at 5 o'clock p. m., the committee stood adjourned.



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