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# SAN FRANCISCO MOUNTAINS FOREST RESERVE.

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## LETTER

FROM THE

SECRETARY OF THE INTERIOR,

TRANSMITTING, IN RESPONSE TO THE  
INQUIRY OF THE HOUSE OF  
REPRESENTATIVES,

A STATEMENT OF THE FACTS AND  
CIRCUMSTANCES IN CONNECTION  
WITH THE FORMATION AND EN-  
LARGEMENT OF THE SAN FRAN-  
CISCO MOUNTAINS FOREST RESERVE.



WASHINGTON:  
GOVERNMENT PRINTING OFFICE.

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L E T T E R

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THE SECRETARY OF THE INTERIOR,

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IN RESPONSE TO THE INQUIRY OF THE HOUSE, A STATEMENT  
OF THE FACTS AND CIRCUMSTANCES IN CONNECTION WITH  
THE FORMATION AND ENLARGEMENT OF THE SAN FRANCISCO  
MOUNTAINS FOREST RESERVE.

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MARCH 12, 1906.—Referred to the Committee on the Public Lands and ordered to be  
printed with illustrations.

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DEPARTMENT OF THE INTERIOR,  
*Washington, March 10, 1906.*

SIR: On February 3, 1906, the House of Representatives passed the  
following resolution:

*Resolved,* That the Secretary of the Interior is requested to make a full report as to the  
facts and circumstances in connection with the formation and enlargement of the San Fran-  
cisco Mountains Forest Reserve, and as to the present condition of the lieu land rights grow-  
ing out of said reserve, and the particulars as to any contract for exchange of railway land  
and other land in such reserve.

In compliance with said resolution, I have the honor to hand you  
herewith copy of a report from the Commissioner of the General Land  
Office, dated February 21, 1906, which, it is believed, answers fully  
the requirements of said resolution.

Very respectfully,

E. A. HITCHCOCK, *Secretary.*

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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DEPARTMENT OF THE INTERIOR,  
GENERAL LAND OFFICE,  
Washington, D. C., February 21, 1906.

SIR: I am in receipt, by departmental reference of February 6, 1906, for report in duplicate and return of papers with—

as full and complete a report on the matters required in this resolution as can be made from the records and files of the General Land Office, or from information otherwise in the possession of said Office,

of a communication from the Clerk of the House of Representatives, transmitting House of Representatives resolution and calling for information relative to the San Francisco Mountains Forest Reserve.

The text of the resolution is as follows:

*Resolved*, That the Secretary of the Interior is requested to make a full report as to the facts and circumstances in connection with the formation and enlargement of the San Francisco Mountains Forest Reserve and as to the present condition of the lieu land rights growing out of said reserve, and the particulars as to any contract for exchange of railway land and other land in such reserve.

The San Francisco Mountains Forest Reserve covers the northwestern end of the great timbered watershed, which extends about 300 miles southeasterly from the Coconino Plateau through eastern Arizona and into New Mexico and is now included within the San Francisco Mountains, Black Mesa, and Gila River Forest Reserves.

The Grand Canyon Forest Reserve, the first reserve established in Arizona, including the Grand Canyon of the Colorado and the Coconino plateau, was established by President Harrison on February 20, 1893, following the recommendation of Secretary of the Interior Noble, based solely upon a report by Director Powell, of the United States Geological Survey.

It was about four years later, however, that there was first presented to the Department a definite and formal expression of public sentiment in favor of the extension of forest reserves to include and protect the watersheds and forests generally in Arizona. This expression was in the form of a memorial by the legislature of Arizona, dated May 5, 1897, praying that a sufficient area of the unclaimed and unappropriated timber lands in Arizona be set apart to retain needed water supplies in the interest of irrigation in that Territory. Said memorial was accompanied by numerous signed petitions by citizens of Arizona praying for the reservation and protection of the timber in the San Francisco Mountains.

Resolutions of a similar nature were adopted soon after by the Phoenix Chamber of Commerce, wherein it was stated that the matter was one of great importance to the settlers located in the Salt River Valley, who desired the reservation and protection of the Salt River watershed.

This Office caused a field examination to be made, by special agents, of the watershed of the Gila River, Salt River, and Rio Verde, including the San Francisco Mountains, and as a result of such field examination it was found that this region should be included within forest-reserve boundaries.

Regarding the part of said region now within the San Francisco Mountains Forest Reserve, Commissioner Binger Hermann made report and recommendation as follows, in his letter to you dated August 12, 1898, inclosing drafts of proclamations to establish the San Francisco Mountains and Black Mesa Forest reserves:

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The northwestern portion of this region is traversed by the Atlantic and Pacific Railroad, which takes under its grant the alternate sections of a considerable portion of same, which fact presents an added reason for reserving the remaining lands, since a full supply of timber to meet all local needs can readily be secured from these railroad lands.

The region includes the town of Flagstaff and various smaller settlements, more particularly along the line of the railroad; but it is not apprehended that the same, or that the other comparatively few settlers scattered through other portions of the reserve, will suffer any inconvenience through the establishment of same, since, under the existing law and regulations governing forest reserves, their rights in all respects are fully protected.

I am just in receipt of a joint report (herewith) made August 1, 1898, by Forest Supervisor W. P. Hermann and Special Agent S. J. Holsinger, urging a forest reservation of lands practically included within this same territory. In this report they present for consideration a very serious question of lieu lands selections, and show, in regard to some 200,000 acres of timbered railroad lands secured by certain individuals, how, after the timber has been removed therefrom, the denuded and worthless scattered tracts of land may be used as a basis for a lieu selection of a compact body of fine valley lands, under the provisions of the act of June 4, 1897 (30 Stat. L., 36).

This question of the relinquishment to the Government of private holdings within forest reservations and the selection of unreserved lands in lieu thereof is assuming grave proportions and is a matter that will need very careful consideration by this Department. It is showing itself in a number of different aspects, and I am giving the subject consideration with a view to presenting the matter to the Department later. In the meantime it is important that the reservation in question should be made without delay. To guard against any complications that might arise by the inclusion of a large area of railroad lands, I deem it advisable that the region which includes lands granted to the Atlantic and Pacific Railroad should be put into a separate reservation, and I have, accordingly, prepared a proclamation reserving, in express terms, the even-numbered sections in the townships falling within the grant to the railroad, said reservations to be known as the San Francisco Mountains Forest Reserves, said sections containing a total estimated area of 975,360 acres. This makes a separate reservation of each even-numbered section, all grouped and known under the general name of the San Francisco Mountains Forest Reserves.

The lands below the granted limits of the railroad company I have embraced in a separate proclamation, describing the boundaries in the usual manner, the reservation to be known as the Black Mesa Forest Reserve, and embracing an estimated area of 1,658,880 acres.

In accordance with the above-quoted recommendation the Black Mesa Forest Reserve was established on August 17, 1898, to include a solid body of lands extending southeasterly from the southern primary limit of the grant to the railway company, and on the same date the San Francisco Mountains Forest Reserves were established to include certain alternate even-numbered sections within said grant, the reservation being on what has been aptly termed the "checker-board" plan.

I am unable to find any evidence showing that any consideration was given prior to the establishment of San Francisco Mountains Forest Reserves to the matter of the difficulties and disadvantages likely to arise in administering the reserves if the alternate odd-numbered sections within the area involved should remain permanently without the jurisdiction, control, and protection of the Government.

Soon after the establishment of said reserves, however, the advisability of the acquisition by the Government of the adverse holdings involved began to be apparent.

On January 12, 1899, Forest Superintendent John D. Benedict, in charge of the San Francisco Mountains Forest Reserves, reported to this office as follows:

At the time the San Francisco Mountains Forest Reserve was established I understand that the Government refused to take the odd-numbered sections in exchange for scrip or other lands because many of these sections had been rendered worthless by cutting the timber therefrom. Upon the whole I think this was a wise provision. While traveling over this reserve, however, in November last, I noticed that upon some of these denuded sections quite a good growth of young pine trees was reappearing. When the cutting was done nearly all the trees that were not large enough to make railroad ties were left standing,

which, with the seedlings that have since sprouted, make in some places very nice groves of little pines. If allowed to remain in their present abandoned condition the accumulated masses of logs and brush which surround these young trees will sooner or later get on fire and destroy this young growth, as well as endanger the reserve sections.

It occurred to me that possibly some amicable arrangement might be made with the owners of these odd-numbered sections by which the Government might be allowed to select such sections as contain a fairly good growth of young pine and add these to the forest reserve. Some of these odd-numbered sections belong to the Perrin family, of Williams, Ariz., some of them to the Santa Fe Pacific Railway, and perhaps some to private individuals.

From what I have learned I am of the opinion that such odd-numbered sections as might be wanted could be secured in exchange for desert lands in southern Arizona or could be bought cheaply.

Such an arrangement would make the forest reserve more compact and render it much easier to control and protect.

The present condition of things out there, with each and every forest reserve section standing out by itself, exposed on all sides to danger from the outside odd-numbered sections, makes the situation a serious one and renders the task of protecting the forest reserve more than doubly difficult.

I would not recommend that the Government take all of the odd-numbered sections in that locality, but I believe it would be advisable to take those sections which contain a fairly good growth of young pines, provided they can be secured on reasonable terms.

The difficulties encountered in the attempted regulation of grazing upon the checker-board reserves, and the most undesirable situation resulting in that respect, are illustrated by the following quoted letter to this office, dated January 21, 1901, from Forest Supervisor F. S. Breen:

I have your letter, "J. D. L."—P, of date January 15, 1901, in answer to my letter of December 30, 1900, relative to sheep grazing within the San Francisco Mountains Forest Reserves, and for fear that I may have been misunderstood in my former letter, I desire to say that I am fully informed as to the general rules and regulations printed, governing forest reserves, but it has been the special instructions governing this particular reserve.

I have endeavored to secure information as to whether or not it was the desire of the Department to forcibly eject sheep and stock from the reserves here when each alternate section did not belong to the reserves. Each Government, or reserved, section being an individual reserve within itself, and the rules and regulations governing them stating that individuals were not prohibited from having ingress and egress to and from their own personal property situate within the exterior boundaries of the reserves. To effectually remove sheep from the reserves it would be necessary to drive them to the exterior boundaries, which would prevent their reaching their own individual property.

This point seems vitally important to me, and I felt that it should be left to a higher authority than myself to decide.

This one feature of the case was the one that entered into all the cases mentioned, and while it may not have had a bearing upon the question at all, I looked upon it as being important, and for that reason merely notified all sheep men, except in the cases of conflict between Perrins and others during last summer, to remove their sheep from the reserves whenever found during the closed season. The reason those in conflict were not notified I explained in my former letter, but I certainly did not think that because applications had been filed by them that they therefore had a right to graze upon the reserves, but was inclined to believe that owing to the mixed conditions of these reserves, the Department being fully informed in the matter, time in which to adjust their differences was tacitly given them.

It may have been a further error on my part in believing that the general rules did not, or could not, entirely cover the conditions here.

I certainly do not wish to shift any responsibility, and if in error in believing that the reserve sections being surrounded by sections belonging originally to the railroad and not a part of the reserve, affected its government under the existing rules, I would like to be corrected, for I have endeavored to the best of my ability to follow all rules governing the reserves.

I recently received a letter from Mr. Perrin, who was notified recently to remove his sheep from the reserves, which letter very definitely describes his position, as well as many others, on the question of right to use of the sections owned by him.

It would be practically impossible to keep sheep from off the reserve sections, unless they were driven from within the boundaries of the reserve, and I would like to be informed if that is the intention of the Department concerning the San Francisco Mountains Forest Reserves.

The forest officers were compelled by law to allow all the adverse owners and their permittees free passage over the reserved lands to and from the adversely owned lands for the purpose of lumbering, grazing, etc.

As there were 4 miles of reserve boundary around each square mile of reserved land, and in many localities these lines had to be visibly marked and almost constantly guarded to protect the reserved land, a great deal of the time and attention of the rangers was necessarily given to the marking of the boundaries of each alternate square mile constituting a reserve. This is illustrated by the following quotation from a report to this office made by Forest Supervisor F. S. Breen on April 4, 1901:

I have hardly had time to lay any plans for the coming winter, more than to instruct rangers on the exterior boundary lines of the reserves; to build monuments and blaze trees along as near as possible to where the lines would come if surveyed; to build monuments along the excluded areas in plain sight of each other and blaze trees where more convenient, so that in the coming year the excluded area lines will be plain to sheep men, permitting of no excuse for trespassing. In the localities nearer the railroad, where it is more thickly settled, rangers are instructed to keep close watch of the movements of wood haulers, and prevent trespasses of this kind during the winter. Where logging is going on, they are instructed to follow the lines occasionally to see that loggers are not cutting over same. On the south and north lines, sheep graze close to the lines sometimes all winter, and rangers are instructed to prevent trespasses from them. I had in mind the work of cleaning up all homesteaded lands reconveyed to the Government during the winter, so that there would be no dead timber, tops, and lops there to destroy the young growth in case of fire during the summer.

The one great need is the surveying of the exterior boundaries of the reserves, so that settlers and sheep men will know where they are. Giving rangers police power would prevent one-half, or nearly so, of the trespasses and troubles that now arise, because the settlers feel they have no power to prevent them from doing as they please. I believe that these two things are the two greatest needs to produce the best and most lasting results for the reserves.

The difficulties and disadvantages resulting to both the Government and the owners of the odd-numbered sections among the reserves, on account of the "checkerboard" system, led to correspondence and conferences among the Department, this office, and the various owners of the odd-numbered sections involved, with a view to the Department's gaining control of the odd-numbered sections.

On October 3, 1900, William F. Parker, E. B. Perrin, and Robert Perrin offered, in writing, to exchange all the lands owned by them among the reserves, under the act of June 4, 1897 (30 Stat. L., 36), in case their lands should be included within a forest reserve.

On October 8, 1900, the Aztec Land and Cattle Company made a similar offer.

Further conferences were held after the above-mentioned offers were made, and on November 2, 1900, Commissioner Hermann, acting upon your oral request, submitted to you for consideration an outline of an agreement or plan to govern the proposed exchanges in case the adversely owned lands should be included within a forest reserve. The plan as outlined by Mr. Hermann provided that the lands selected should, so far as possible, be similar in character and value to the lands relinquished.

Then followed further conferences without definite action, until on December 18, 1900, the Director of the United States Geological Survey, after a conference held in your office on that date, proposed to you in writing that the matter be adjusted by an exchange of the

odd-numbered sections in certain townships, constituting about one-half of the area involved, for the even-numbered sections in the remainder of the area.

On December 19, 1900, you approved the suggestion so made by the Director and directed this office to submit this plan of adjustment to the owners of the odd-numbered sections and ask an expression of their views thereon or their acceptance thereof. Such action was taken by this office on January 5, 1901, but the proposition was rejected by the owners, and the Department was so advised by this office by letters dated January 9 and 19, 1901.

On January 12, 1901, you forwarded to this office an approved proposition submitted by some of the owners of the odd-numbered sections and directed this office to take the necessary action to carry same into immediate effect. The proposition, as approved by you, was as follows:

JANUARY 11, 1901.

SIR: If the President of the United States, by proclamation, shall immediately extend the limits of the San Francisco Mountains Forest Reserve so as to include all the odd-numbered sections now owned by us falling within the present exterior limits of such reserve, we, the undersigned holders of title to such odd-numbered sections, hereby agree to surrender to the United States our titles in such forest reserve, under the act of June 4, 1897, on the following basis:

One hundred and eighty thousand acres of our said present holdings to be exchanged for nontimbered public lands lying south of the thirty-seventh standard parallel of latitude and south of the Tehichipa Range of Mountains, and the remainder of our lands in said enlarged reservation to be exchanged by us under said act of June 4, 1897, and amendments thereto, without any other restrictions whatsoever, on the part of the Santa Fe Pacific Railroad Company, it being, however, understood that the company will not be expected to surrender any lands needed to be retained by it for railroad purposes, and such railroad purposes being understood to include rights of way of all kinds, station grounds, pumping stations, dams, reservoir sites, stone quarries, deposits of cinders, gravel, or other material for ballast, and also other land needed for railroad purposes, but not including lands held solely for the timber thereon.

This proposition is made with the further understanding that in case of its acceptance the Government will, in every reasonable way, so expedite all necessary surveys and approval thereof, and the issuance of patent to the railroad company, as to enable said company and the undersigned holders of title under its grant to carry out this agreement.

Very respectfully,

E. D. KENNA,  
*Vice-President and General Solicitor*  
*Santa Fe Pacific Railroad Company.*

WILLIAM F. BAKER.

E. B. PERRIN.

ROBERT PERRIN.

By E. B. PERRIN,  
*Attorney in fact.*

Hon. E. A. HITCHCOCK,  
*Secretary of the Interior.*

Approved, and the Commissioner of the General Land Office will carry the above into immediate effect.

E. A. HITCHCOCK, *Secretary.*

The action taken by Commissioner Hermann, in accordance with your said direction of January 12, 1901, is shown by his letter to you dated January 18, 1901, which is as follows:

I have the honor to acknowledge the receipt of your letter of the 12th instant (received in this office the 15th instant) inclosing a proposition submitted by the owners of the odd-numbered sections adjoining the San Francisco Mountains Forest Reserves in Arizona to exchange their said lands for other vacant public lands elsewhere under the terms and conditions stated in said proposition.

You have approved this proposition and direct that I take the necessary action to carry the same into immediate effect.

I have the honor to report that I have prepared the necessary proclamation for the signature of the President to be submitted to you; and, in accordance with the understanding reached at the conference with you, and with your personal directions to me, I have called on each of the parties to the proposition to file a list of the 180,000 acres to be selected by them of nontimbered public lands lying south of the thirty-seventh standard parallel of latitude and south of the Tehichipa Range of Mountains, to enable this office to examine the records to determine whether the lands so selected meet the requirements of the agreement and are subject thereto.

I am also just in receipt, by the reference of the First Assistant Secretary, of the 17th instant, for consideration with departmental letter of the 12th instant of the letter of the Aztec Land and Cattle Company (Limited), by Albert Strauss, vice-president, dated the 15th instant, assenting to the terms and conditions of the proposition of the 11th instant.

I have addressed a letter to the Aztec Land and Cattle Company similar to those addressed to the signers of the proposition of the 11th instant.

Copies of my letters to the parties are inclosed for your information. Immediately upon receipt of their replies I will report thereon to you, transmitting the papers, together with the proclamation.

Following this action a hearing on the whole matter was held before you on February 6 and 7, 1901, at which Messrs. E. S. Clark, J. C. Phelan, D. Babbitt, and J. G. Verkamp, of Flagstaff, Ariz., appeared on behalf of Coconino County in opposition to the consolidation of the reserves, and Messrs. S. M. McCowan, J. W. Woolf, and Dr. A. J. Chandler, of Phoenix, Ariz., appeared on behalf of Maricopa County, in favor of such consolidation. There also appeared Mr. Alexander Britton, representing the Santa Fe Pacific Railroad Company; Commissioner Hermann, of this office, and Mr. James I. Parker, chief of the lands and railroads division of your office.

A complete record of said hearing was published as a pamphlet, copy of which, marked "Exhibit A," is herewith inclosed and is made a part hereof.

There is also published in said pamphlet the correspondence on this subject, subsequent to the hearing, including your letter dated June 6, 1901, to E. D. Kenna, esq., of the Santa Fe Pacific Railroad Company, wherein you declined to take any further action looking toward the consolidation of the reserves on the terms proposed as aforesaid on January 11, 1901, for the reason that, as shown by certain correspondence published in said pamphlet, about 147,500 acres, or over 15 per cent of the estimated area of 975,000 acres, of the adversely owned odd-numbered sections involved, could not be relinquished to the United States by the owners, because of the fact that said lands were covered by outstanding contracts for the cutting of timber therefrom, while it had been the understanding of the Department that the entire acreage embraced in said odd-numbered sections would be relinquished by the owners thereof to the Government under said proposition of January 11, 1901.

The latest communication in the matter published in the pamphlet is your letter dated July 2, 1901, to Mr. A. B. Leach, president of the Arizona Water Company, wherein you reviewed the entire proceedings.

I have no record of any further action in this matter prior to December 20, 1901, on which date all the owners of the odd-numbered sections involved submitted a joint proposition for the exchange of all said lands, as follows:

BRITTON & GRAY, ATTORNEYS AND COUNSELLORS AT LAW,  
*December 20, 1901.*

SIR: Referring to the proposed consolidation of the San Francisco Mountains Forest Reserve, wherein you have expressed a desire to secure the transfer of title to the United States of all the odd-numbered sections lying within the exterior limits thereof, we, the undersigned, owners of such lands, respectfully submit:

## I.—THE AZTEC LAND AND CATTLE COMPANY.

This company is the owner of 132,000 acres, more or less, of such odd-numbered sections, and agrees, in the event of said lands being so reserved, to relinquish to the United States the title to all thereof. Said company agrees that it will exchange 28,600 acres of said land for an equal area of nontimbered public land lying south of the thirty-seventh standard parallel and the Tehachipa range of mountains, and the balance under the act of June 4, 1897, and amendments thereto, without any other restriction whatsoever.

## II.—THE SAGINAW AND MANISTEE LUMBER COMPANY.

This company is the owner of 40,720 acres, more or less, of such odd-numbered sections, and agrees, in the event of said lands being so reserved, to relinquish to the United States the title of all thereof, provided that as to 31,960 acres described on list herewith marked "Saginaw and Manistee, No. 1," the United States will permit this company, its successors, assigns, or lessees to cut the timber off of same under rules and regulations hereto attached and marked "Saginaw and Manistee, No. 2."

## III.—WILLIAM F. BAKER.

Mr. Baker is the owner of 79,296 acres, more or less, of such odd-numbered sections, and agrees, in the event of said lands being so reserved, to relinquish to the United States the title to all thereof.

Said Baker further agrees that he will exchange 17,600 acres of said land for an equal area of nontimbered public land of the United States lying south of the thirty-seventh standard parallel and the Tehachipa range of mountains, and exchange the balance under the act of June 4, 1897, and amendments thereto, without any other restriction whatsoever.

## IV.—MESSRS. ROBERT AND E. B. PERRIN.

The Perrin brothers own 134,000 acres, more or less, of such odd-numbered sections, and agree, in the event of said lands being so reserved, to relinquish to the United States the title to all thereof, excepting one section in or adjacent to the town of Williams, upon which is located their home and other improvements, and that portion of section 33, now owned by them, on which the town of Williams is located, provided that as to 48,500 acres described on list herewith marked "Perrin 1," the United States will permit said Perrin Brothers, their heirs, assigns, or lessees, to cut the timber off of same under rules and regulations hereto attached and marked "S. and M. 2."

Said Perrin brothers further agree that they will exchange 32,120 acres of said land for an equal area of nontimbered public land of the United States lying south of the thirty-seventh standard parallel and the Tehachipa range of mountains and exchange the balance under the act of June 4, 1897, and amendments thereto, without any other restrictions whatsoever.

## THE SANTA FE PACIFIC RAILROAD COMPANY.

This company is the owner of 507,358 acres, more or less, of such odd-numbered sections, and agrees, in the event of said lands being so reserved, to relinquish to the United States the title to all thereof, provided that as to (Riordan) 45,000 acres described on list herewith marked "Santa Fe Pacific 1," the United States will permit this company, its successors, assigns, or lessees, to cut the timber off the same under rules and regulations hereto attached and marked "Santa Fe Pacific 2."

Said company further agrees that should such rules and regulations be not acceptable to the United States, it will either relinquish said lands to the United States, subject to timber contracts now existing with respect to same, or permit said land to be excluded from the reservation altogether, binding itself in the latter event to not authorize the grazing of sheep thereon so long as said lands lie within the exterior limits of the forest reserve.

Said company further agrees that it will exchange 101,680 acres of said land for an equal area of nontimbered public land of the United States lying south of the thirty-seventh parallel and the Tehachipa range of mountains, and exchange the balance under the act of June 4, 1897, and amendments thereto, without any other restrictions whatsoever.

Said company makes it a part of this agreement that it will not be expected to relinquish any lands needed to be retained by it for railroad purposes such as rights of way of all kinds, station grounds, pumping stations, dams, reservoir sites, stone quarries, deposits of cinders, gravel, or other material for ballast and other land needed for railroad purposes, but not including land held solely for the timber thereon.

Under the conditions above set forth the United States will be enabled to create a reservation wherein it will become the owner of all the land owned by the undersigned, and

can control and supervise the cutting of timber off specified lands. Should the same prove acceptable, the undersigned agree that they will, preliminary to the creation of the reservation, designate to the honorable Secretary their respective portions of the 180,000 acres to be selected from nontimbered lands south of the thirty-seventh standard parallel and the Tehichipa Mountains, provided that should the same be found of the character described, they will be reserved by the United States for selection by us, and the proclamation reserving the odd-numbered sections immediately issue.

The undersigned further agree that immediately from the issuance of such proclamation they will not graze any sheep over any of the lands so reserved, nor authorize any other persons to do so, and the United States will in every reasonable way so expedite all necessary surveys and approval thereof, and the issuance of patents to lands of the undersigned covered by this agreement, as will enable us to carry out this agreement as quickly as possible.

It is further respectfully submitted that the aggregate of nontimbered public lands to be selected as above set forth is 180,000 acres, and it may be necessary in order to facilitate such selections for the respective portions of same to be selected by each of the undersigned to be changed, the total, however, to be the same, to wit, 180,000 acres.

Very respectfully,

AZTEC LAND AND CATTLE COMPANY (LIMITED),  
By SELIGMAN & SELIGMAN, *Attorneys in Fact.*

SAGINAW AND MANISTEE LUMBER COMPANY,  
By WM. F. BAKER, *President.*

WM. F. BAKER,  
E. B. PERRIN,  
ROBERT PERRIN,

By E. B. PERRIN, *Attorney in Fact.*

SANTA FE PACIFIC RAILROAD COMPANY,  
By HOWEL JONES, *Land Commissioner.*

Hon. E. A. HITCHCOCK,  
*Secretary of the Interior, Washington, D. C.*

On January 18, 1902, by letter to Messrs. Britton & Gray, of this city, representing the owners, you made reply to the above-quoted joint proposition of December 20, 1901, and you made certain further requirements and suggestions, as follows:

3239-1898.]

DEPARTMENT OF THE INTERIOR,  
*Washington, January 18, 1902.*

GENTLEMEN: I have carefully considered the communication of the 20th ultimo from the Aztec Land and Cattle Company (Limited), and others interested in the alternate odd-numbered sections which lie among the San Francisco Mountains Forest Reserves in the Territory of Arizona. This communication relates to the proposed consolidation of these reserves into one large reserve and to the exchange, under the act of June 4, 1897 (30 Stat. L., 11, 36), of the private holdings therein for public lands located elsewhere. The subject of the letter is also one respecting which your firm and Mr. Payson, representing some of the signers of the letter of the 20th ultimo, and others interested in the subject under consideration, have recently had several interviews with the officers of this Department, the purposes of which were to reach an agreement respecting the details of the proposed exchange of private holdings for public lands.

It appears by said letter that the Santa Fe Pacific Railroad Company has, approximately, 45,000 acres of such odd-numbered sections which are affected by an outstanding contract or contracts, giving to persons named in the contracts the right to cut the timber from these sections, and that, therefore, the company will be under the necessity of either relinquishing these lands under the act of June 4, 1897, subject to the existing contracts respecting the timber, or of holding the title until the contracts shall have been fully executed. It seems to me that it will be more in keeping with the purposes of the forest reservation laws and of the proposed consolidation of these reserves if an arrangement can be effected whereby these 45,000 acres, along with the other lands, shall be surrendered to the United States, thereby assuring the Government the full control, for most purposes, of all the lands in the consolidated reserve. For that reason I inquire whether an arrangement, substantially as follows, can not be made respecting these 45,000 acres:

1. Such lands to be surrendered to the United States, subject to the outstanding contracts.
2. The railroad company to take, in lieu thereof, a like acreage of nontimbered public land lying south of the thirty-seventh parallel and the Tehichipa range of mountains.

3. The railroad company and the others interested in the consolidation of these reserves to use their good offices in procuring, so far as may be possible, the assent of those now holding the outstanding contracts on these 45,000 acres to rules and regulations respecting the cutting and removal of the timber which, while fully protecting the rights of those holding the contracts, will enable the Government to obtain, so far as may be, the benefits of controlling these lands as a part of the consolidated reserve.

I will thank you to furnish the Department, as soon as may be, with accurate copies of the outstanding contracts affecting the 45,000 acres above named, as well as such contracts, if any, as may exist respecting the 31,960 acres of the Saginaw and Manistee Lumber Company, and the 48,500 acres of Messrs. Robert and E. B. Perrin, respecting which a right to cut timber is to be reserved in their relinquishment as proposed in said letter of the 20th ultimo.

The rules and regulations referred to in the paragraphs of said letter which relate to the 31,960 acres of the Saginaw and Manistee Lumber Company and the 48,500 acres of Robert and E. B. Perrin are not entirely satisfactory for this Department, but I feel assured, from the statements of Mr. Theodore Seligman, made at the time of presenting said letter, that all differences respecting these rules and regulations can be readily adjusted; and I therefore ask that those who will be affected by these reserve timber cutting rights shall authorize yourselves or some other representative to confer with the officers of this Department with the view to an early agreement upon such rules and regulations as will be fitting to the occasion, and will be consistent with the proper interests of all concerned and with the public purposes which are to be subserved by the consolidated reserves. In that connection, I trust that the railway company and the others interested in this matter will effect communication with the holders of the contracts upon the 45,000 acres with the view to a like conference between a representative of those holding said contracts and the officers of this Department.

Upon receipt of an answer responding to the suggestions herein made, this Department will be glad to promptly enter upon such conferences or negotiations as may tend toward an early and mutually satisfactory arrangement of whatever is necessary to fully consummate the consolidation of these reserves and the exchange of the private holdings therein.

Very respectfully,

E. A. HITCHCOCK,

*Secretary.*

Messrs. BRITTON & GRAY,

1419 F street NW., Washington, D. C.

To your said letter dated January 18, 1902, Messrs. Britton & Gray replied as follows on January 22, 1902:

BRITTON & GRAY, ATTORNEYS AND COUNSELORS AT LAW,

GLOVER BUILDING, 1419 F STREET NW.

Washington, D. C., January 22, 1902.

SIR: We are in receipt of your communication dated January 18 relative to the proposed solidification of the lands lying within the exterior limits of the San Francisco Mountains Forest Reserves, in the Territory of Arizona, and with particular reference to the 45,000 acres of odd-numbered sections owned by the Santa Fe, Pacific Railroad Company, and affected by outstanding contracts for the cutting of the timber thereon, we are authorized by said company to advise that, in order to meet your wishes in this matter as far as possible, it will supplement its proposal of December 20, and agree:

(1) To surrender to the United States the title to the 45,000 acres of odd-numbered sections, covered by such outstanding timber contracts, the transfer to be made subject to such contracts, and leaving the same wholly unaffected thereby.

(2) The railroad company will take in lieu thereof a like acreage of nontimbered public land lying south of the thirty-seventh standard parallel and the Tehichipa range of mountains.

(3) The railroad company will use its good offices in an effort to have the parties holding such outstanding timber contracts cut and remove the timber therefrom, under rules and regulations satisfactory to you.

We trust that the further agreement of the railroad company to the three propositions hereinabove set forth will meet with your approval, and in addition thereto we advise that we will obtain and file with you, as soon as possible, accurate copies of the outstanding contracts affecting the 45,000 acres named, as well as such contracts as may exist respecting the timber contracts of the Saginaw and Manistee Lumber Company and Messrs. Robert and E. B. Perrin.

We have also requested the parties interested, and particularly those to be affected by the rules and regulations for the cutting of timber, to separately authorize some one to confer with the officers of your Department, with a view to an early agreement upon such rules and regulations.

As soon as we have definitely heard from them upon this proposition we will advise you further.

In the meantime, we remain,  
Very respectfully,

BRITTON & GRAY,  
*Attorneys Santa Fe Pacific Railroad Company.*

Hon. E. A. HITCHCOCK,  
*Secretary of the Interior, Washington, D. C.*

Then on March 28, 1902, all the owners of the odd-numbered sections involved submitted their final joint proposition for the relinquishment of all said lands in accordance with the aforesaid requirements made by you:

BRITTON & GRAY, ATTORNEYS AND COUNSELORS AT LAW,  
GLOVER BUILDING, 1419 F STREET NW.,  
*Washington, D. C., March 28, 1902.*

SIR: Answering your communication of January 18, 1902, with respect to the proposed inclusion of odd-numbered sections in the San Francisco Mountains Forest Reserve, we respectfully submit:

First. The Santa Fe Pacific Railroad Company agrees to relinquish the title to the 45,000 acres covered by outstanding timber contracts, subject to the same, and select, in lieu thereof, a like acreage of nontimbered public land lying south of the thirty-seventh parallel and the Tehichipa range of mountains.

Second. Said company has used its good offices in procuring the assent of those now holding the outstanding timber contracts to certain rules and regulations respecting the cutting and removal of the timber. Such rules accepted by the Arizona Lumber Company and J. M. Dennis, as to the 45,000 acres of the Santa Fe Pacific Company's lands, and by the Saginaw and Manistee Lumber Company as to its own lands and those of Perrin Brothers, are filed herewith, and may, we trust, be found acceptable to the Department.

Third. As an inducement to secure the consent of said contractors to such rules, certain monetary obligations are to be assumed by the railroad company, which will not interest your office, and certain substitution of lands proposed under said timber contracts, which we desire to submit for your consideration before acting on.

The J. M. Dennis Lumber Company holds contract covering secs. 3, 5, 7, 9, 13, 15, and 17, T. 22 N., R. 4 E., and secs. 33 and 35, T. 23 N., R. 4 E. It is proposed, with your consent, to modify said contract so that same may embrace only sec. 31, T. 22 N., R. 5 E.

Such modified contract would permit the railroad company to surrender to the United States the entire nine sections covered by the existing contract freed from the effect thereof and limit the timber contract of the Dennis Company to sec. 31, T. 22 N., R. 5 E.

The Arizona Lumber Company holds contracts covering SW.  $\frac{1}{4}$  of 17; all of 19, 21, 29, and 31, T. 21 N., R. 6 E.; all of sec. 13, T. 21 N., R. 5 E.; all of secs. 5, 7, 9, 15, 23, and 25, T. 20 N., R. 7 E.; all of 29, 31, and 33, T. 21 N., R. 7 E.; all of 9, 15, 17, 21, 23, 25, 27, 29, 31, 33, and 35, T. 21 N., R. 5 E.; all of 1, 3, 11, 13, 17, 21, 27, 29, 31, 33, and 35, T. 20 N., R. 7 E.; all of 19, 25, 27, and 35, T. 21 N., R. 7 E.; all of 1, 3, 5, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, and 35, T. 20 N., R. 5 E.; all of 1, 5, S.  $\frac{1}{2}$  and NE.  $\frac{1}{4}$  of 3, 7, 9, 11, 13, 15, 17, 19, 21, 23, 25, 27, 29, 31, 33, and 35, N., R. 20 E., 6 E.; all of 25, 27, 33, and 35, T. 21 N., R. 6 E., all of 21, 23, 27, and 29, T. 21 N., R. 8 E.; all of 19 and 33, T. 20 N., R. 8 E.

It is proposed, with your consent, to reduce this acreage by modifying such contract, and releasing therefrom secs. 19 and 27, T. 21 N., R. 7 E.; secs. 5, 9, 11, 13, 15, 17, 21, 25, 27, and 35, T. 20 N., R. 7 E.; secs. 19, 27, 29, 31, and 33, T. 20 N., R. 8 E.; sec. 5, T. 19 N., R. 8 E.; and secs. 21, 23, 27, and 29, T. 21 N., R. 8 E.; a total of 22 sections, and substituting therefor sec. 19, T. 20 N., R. 7 E.; secs. 1, 3, 9, 11, and 13, T. 19 N., R. 5 E.; secs. 3, 5, 7, 9, and 17, T. 19 N., R. 6 E.; secs. 3, 7, 9, and 17, T. 19 N., R. 8 E.; a total of 15 sections.

The Saginaw and Manistee Lumber Company proposes to increase the acreage which it can surrender absolutely to the United States by 3,480 acres, by eliminating secs. 1 and 5 in T. 24 N., R. 5 E., and substituting sec. 15, and by including in T. 24 N., R. 6 E., S.  $\frac{1}{2}$ , S.  $\frac{1}{2}$ , N.  $\frac{1}{2}$  SE.  $\frac{1}{4}$ , and E.  $\frac{1}{2}$ , NE.  $\frac{1}{4}$  sec. 17, and in T. 22 N., R. 6 E., all of sec. 35.

The Perrin Brothers propose to eliminate from the timber contract all of secs. 1, 3, 9, 11, 13, 15, and 33, T. 20 N., R. 3 E., and change the descriptions in 21 N., R. 4 E., by including secs. 25 and SW.  $\frac{1}{4}$  and SW.  $\frac{1}{4}$  SE.  $\frac{1}{4}$  sec. 33, S.  $\frac{1}{2}$  and NE.  $\frac{1}{4}$  of sec. 35.

These proposed changes will enable all parties to operate under the same rules and regulations respecting the cutting and removal of timber, and will increase the acreage to be surrendered to the United States freed from timber contracts by 13,000 acres.

We also submit two forms of deed, one intended to convey such lands as are subject to outstanding timber contracts, and in lieu of which selections are to be made of nontimbered land south of the thirty-seventh parallel of latitude and the Tehichipa Range of mountains;

the other intended to convey such lands as are not subject to any outstanding timber contracts, but in lieu of which selections are to be made of nontimbered lands south of the thirty-seventh parallel of latitude and the Tehichipa Range of mountains. We ask that these forms of deed be examined, and that you indicate whether they are deemed by you adequate and proper for the purpose intended.

If the proposal made by us in our letter to you of December 20, 1901, as modified by your letter to Messrs. Britton & Gray, dated January 18, 1902, and by the letter of Messrs. Britton & Gray to you, dated January 22, 1902, and by this letter, is accepted by you and acted upon by the establishment of a consolidated forest reservation, as indicated in such correspondence, we pledge ourselves to immediately begin the relinquishing of our private holdings within the limits of said reservation, and the selection of other lands in lieu thereof, according to the provisions of the act of Congress approved June 4, 1897 (30 Stat., p. 36), and the act of Congress approved June 6, 1900 (31 Stat., p. 614), and in full accord with the terms of the agreement evidenced by said correspondence. And we agree to use all reasonable diligence in prosecuting the work of relinquishment and selection to a final conclusion at the earliest reasonable time. Of course the time within which this work of relinquishment and selection can be completed will be largely in the hands of the Interior Department with respect to the lands which remain unsurveyed and unpatented, and as to them we will not, as we understand it, be able to make any relinquishment or any lieu selection until the work of surveying and patenting is done.

We further agree to exercise our right of lieu selection upon the 225,000 acres of nontimbered lands lying south of the thirty-seventh parallel and the Tehichipa Range of mountains before exercising the right of lieu selection upon any other lands.

We further agree that from the date of the proclamation establishing such consolidated forest reserve thenceforward, if the reservation is continued, we will not encumber, sell, or otherwise affect the existing title to the lands to be relinquished, excepting as may be necessary or convenient as a part of the process of conveying a sufficient title thereto to the United States, and will not dispose of or attempt to dispose of the timber thereon, or any portion thereof, excepting as to those lands covered by the outstanding timber contracts hereinbefore referred to, and will not, by lease, license, or otherwise, confer upon any person or company whatsoever any right to graze, hold, or maintain live stock of any kind or character over or upon any of the lands so to be relinquished.

Very respectfully,

SAGINAW AND MANISTEE LUMBER COMPANY,  
By WM. F. BAKER, *President*.

WILLIAM F. BAKER.

SANTA FE PACIFIC RAILROAD COMPANY,  
By HOWEL JONES, *Land Commissioner*.

ROBERT PERRIN,  
By L. E. PAYSON, *Attorney*!

E. B. PERRIN,  
By L. E. PAYSON, *Attorney*.

AZTEC LAND AND CATTLE COMPANY (LIMITED),  
By THEODORE SELIGMAN, *Attorney*.

Hon. E. A. HITCHCOCK,  
*Secretary of the Interior, Washington, D. C.*

There is hereto attached, marked "Exhibit B," a copy of the first form of deed referred to in said joint proposition of March 28, 1902, to convey such lands as are subject to outstanding timber contracts; and a copy of the second form of deed referred to, for conveying lands not subject to any outstanding timber contracts, is hereto attached, marked "Exhibit C."

A copy of the rules and regulations submitted with said joint proposition of March 28, 1902, governing the removal of timber upon the odd-numbered sections involved, is hereto attached, marked "Exhibit D."

By letters dated April 2, 1902, quoted below, to Hon. L. E. Payson and Messrs. Britton & Gray, representing the owners of the odd-numbered sections involved, you approved the said joint proposition of March 28, 1902:

DEPARTMENT OF THE INTERIOR,  
Washington, April 2, 1902.

SIR: I have considered the letter of the Saginaw and Manistee Lumber Company et al. of the 28th ultimo, relating to the proposed consolidation of the San Francisco Mountains Forest Reserves and the inclusion therein of the odd-numbered sections. The proposals made in said letter and the forms of deed of relinquishment accompanying the same meet with my approval. Upon the faith of the arrangement evidenced by said letter and the prior correspondence therein referred to, I have to-day requested the Commissioner of the General Land Office to prepare, for the President's consideration, a proclamation creating a single forest reserve, to be known as the "San Francisco Mountains Forest Reserve," embracing the lands now included within the San Francisco Mountains Forest Reserves and the odd-numbered sections and other lands within the exterior limits of such existing reserves.

I beg to request that within as short a time as may be convenient you will file in this Department true copies of all the contracts to cut or remove timber mentioned in your letter of the 28th ultimo or in the prior correspondence, the contracts as so filed to embrace the modifications proposed in your letter of the 28th ultimo.

I request that in this matter you cooperate as fully as may be with Messrs. Britton & Gray, who are acting as attorneys for the other signers of the letter of the 28th ultimo and prior letters.

The relinquishment of base lands, the proof of title thereto, the selection of lieu lands, the proof of the character and condition thereof, and other kindred matters must conform to the regulations and decisions under the acts of June 4, 1897 (30 Stat., 36), and June 6, 1900 (31 Stat., 614).

Very respectfully,

E. A. HITCHCOCK,  
*Secretary.*

Hon. L. E. PAYSON,  
*Attorney for Robert Perrin and E. B. Perrin,  
Washington, D. C.*

DEPARTMENT OF THE INTERIOR,  
Washington, April 2, 1902.

GENTLEMEN: I have considered the letter of the Saginaw and Manistee Lumber Company et al., of the 28th ultimo, relating to the proposed consolidation of the San Francisco Mountains Forest Reserves and the inclusion therein of the odd-numbered sections. The proposals made in said letter and the forms of deed of relinquishment accompanying the same meet with my approval. Upon the faith of the arrangement, evidenced by said letter and the prior correspondence therein referred to, I have to-day requested the Commissioner of the General Land Office to prepare for the President's consideration a proclamation creating a single forest reserve to be known as the "San Francisco Mountains Forest Reserve," embracing the lands now included within the San Francisco Mountains Forest Reserves and the odd-numbered sections and other lands within the exterior limits of such existing reserves.

I beg to request that within as short a time as may be convenient you will file in this Department true copies of all the contracts to cut or remove timber mentioned in your letter of the 28th ultimo, or in the prior correspondence, the contracts, as so filed, to embrace the modifications proposed in your letter of the 28th ultimo.

I request that in this matter you cooperate as fully as may be with Messrs. Robert Perrin and E. B. Perrin, who join in the letter of the 28th ultimo and prior letters, and who are represented by Hon. L. E. Payson.

The relinquishment of base lands, the proof of title thereto, the selection of lieu lands, the proof of the character and condition thereof, and other kindred matters must conform to the regulations and decisions under the acts of June 4, 1897 (30 Stat. L., 36), and June 6, 1900 (31 Stat. L., 614).

Very respectfully,

E. A. HITCHCOCK,  
*Secretary.*

Messrs. BRITTON & GRAY,  
*Attorneys for Saginaw and Manistee Lumber Company, William F. Baker, Santa Fe Pacific Railway Company, and Aztec Land and Cattle Company (Limited), Glover Building, Washington, D. C.*

Your letter of April 2, 1902, to this Office, quoted below, directed the preparation for the President's consideration of a proclamation to establish a single forest reserve to be known as the "San Francisco Mountains Forest Reserve," to include all the lands constituting the

San Francisco Mountains Forest Reserves and the odd-numbered sections within the ulterior boundaries thereof:

DEPARTMENT OF THE INTERIOR,  
Washington, April 2, 1902.

SIR: In relation to the proposed consolidation of the existing San Francisco Mountains Forest Reserves and the inclusion in the consolidated reserve of the odd-numbered sections, a conference was recently had before the President between myself and representatives of parties to be affected, as a result of which an arrangement has been agreed upon or effected which is set forth and evidenced by letters between those interested in the private lands to be included within the limits of said reserves and myself, copies of which letters are hereto attached.

You will immediately prepare for the President's consideration and transmit to this Department a proclamation creating a single forest reserve to be known as the "San Francisco Mountains Forest Reserve," embracing the lands now included within the San Francisco Mountains Forest Reserves and the odd-numbered sections and other lands within the exterior limits of such existing reserves.

The correspondence, copies of which are hereto attached, consists of the following:

Letter from the Aztec Land and Cattle Company (Limited), to the Secretary of the Interior, dated December 20, 1901.

Letter from the Secretary of the Interior to Messrs. Britton & Gray, dated January 18, 1902.

Letter by Messrs. Britton & Gray to the Secretary of the Interior, dated January 22, 1902.

Letter from the Saginaw and Manistee Lumber Company et al. to the Secretary of the Interior, dated March 28, 1902.

Letter from the Secretary of the Interior to Messrs. Britton & Gray, dated April 2, 1902.

Letter from the Secretary of the Interior to Hon. L. E. Payson, dated April 2, 1902.

Also the inclosures contained in said letters.

Very respectfully,

E. A. HITCHCOCK,  
*Secretary.*

The COMMISSIONER OF THE GENERAL LAND OFFICE.

The draft of a proclamation prepared in accordance with the above-quoted directions was submitted to you by this Office on April 8, 1902, and, with some modification made by direction of the Department in order to express more fully its purpose and effect, the proclamation was signed by the President on April 12, 1902. (32 Stat. L., 1991.)

May 14, 1902, you addressed the Commissioner of this Office in reference to a request made by Messrs. Britton & Gray in the matter of submitting general abstracts of title by the parties who owned large tracts of land situated within the San Francisco Mountains Forest Reserves and advised this Office that in your letter to Britton & Gray you had stated—

The lands in one ownership will probably constitute the bases for many separate selections made at different times and at different land offices, and to require a separate abstracting for each relinquishment of lands having a common chain of title would, under the circumstances, serve no useful purpose. Each owner contemplating an exchange, as heretofore agreed upon in correspondence had with this Department, may, therefore, file a general abstract covering all his lands within the reserve, which are within the same county, and bringing the title down to and in such owner. This abstract will be subject to the acceptance of the Commissioner of the General Land Office, acting under the supervision of the Secretary of the Interior. Thereafter, in relinquishing lands covered by such abstract and selecting other lands in lieu thereof, there need be no filing of further evidence of title in the relinquished lands than a supplemental abstract, covering the period from the date of the general abstract to that of the supplemental abstract, and showing the proper transmission of title to the United States. The deed of relinquishment and supplemental abstract should in each instance accompany the corresponding lieu selection.

and you directed—

Your office will conform to the views here expressed in dealing with the exchanges referred to.

September 14, 1903, on the application of the Santa Fe Pacific Railroad Company that it be allowed to make certain selections of

unrestricted lands before exhausting its right of selection within the restricted area, as provided for in the agreement, in a letter to Messrs. Britton & Gray you state:

The basis of said application is that the company is unable to relinquish the residue of the restricted lands which under the arrangement between it and the Department it was first to relinquish, because of the fact that said lands are not surveyed, notwithstanding the fact that said company promptly made deposit of the necessary moneys to perfect such surveys, the failure to perfect them being due to delay in the office of the surveyor-general of Arizona.

In view of the facts presented, the Department, in recognition of the equities shown, hereby consents to the relinquishment by said company of 150,000 acres of its lands within the limits of the San Francisco Mountains Forest Reserve and to the selection by it of an equal quantity of vacant, unreserved, and unappropriated public lands in lieu thereof without other restrictions than those imposed by the act of June 4, 1897 (30 Stat. L., 36), and the act of June 6, 1900 (31 Stat. L., 614).

March 12, 1904, you addressed the following communication to this office:

DEPARTMENT OF THE INTERIOR,  
*Washington, March 12, 1904.*

SIR: February 13, 1904, your office transmitted to this Department for examination and instructions the abstracts of title to 52,721.38 acres of odd-numbered sections of land in the San Francisco Mountains Forest Reserve in Yavapai and Coconino counties, Ariz., submitted by the Santa Fe Pacific Development Company for approval in order to facilitate relinquishment of the lands to the United States under the act of June 4, 1897 (30 Stat. L., 36). Your office asked instructions whether—

1. The conveyance by the railroad company to the development company, proponent of the abstract of title, is not a violation of the agreement made April 2, 1902, by the Santa Fe Pacific Railroad Company with the Department, to make no conveyance of its lands within the San Francisco Mountains Forest Reserve.

2. Whether the Santa Fe Development Company will be recognized by this Department to have power to take title to said lands from the railroad company and convey them to the United States.

While the matter was under consideration of the Department, the Santa Fe Development Company, March 4, 1904, has proposed that it withdraw its abstract of title, reconvey all the land to the railroad company, and allow the railroad company itself to carry out the arrangement heretofore made. That course appears to the Department to be preferable. The papers are therefore returned to your office, which will permit the proponent to withdraw its abstract for extension to include such reconveyance. As to lieu selections initiated by the development company, they may be regarded as made by it in the capacity of agent for the railroad company, and be amended and allowed to stand by substitution of the name of the railroad company as selector, upon its filing for record its own relinquishment of the land assigned as base therefor.

In compliance with the request of Messrs. Britton & Gray, attorneys, the copy of a deed from the Santa Fe Pacific Railroad Company to the Santa Fe Pacific Development Company, transmitted with your letter of February 20, 1904, is also herewith returned that it may be delivered to said attorneys.

Very respectfully,

E. A. HITCHCOCK,  
*Secretary.*

The COMMISSIONER OF THE GENERAL LAND OFFICE.

March 8, 1904, this office, in a report upon a letter from Hon. F. W. Mondell, submitted by departmental reference, wherein Mr. Mondell requests that he be advised whether, in the opinion of the Department, a bill then pending before Congress, H. R. 4866, would, if enacted into law, be retroactive and invalidate selections made prior to its approval, and, second, whether it would affect the exchange of lands within the Mount Rainier National Park and Pacific Forest Reserve, provided for by the act of March 2, 1899, and whether it would prevent the consummation of an agreement "made by the Secretary of the Interior with certain persons relative to the exchange of lands within the San Francisco Mountains Forest Reserve," expressed the opinion that the bill, if enacted into law, would not be

retroactive, would not affect selections made under the provisions of the act of March 2, 1899, but—

would have the effect of restricting the right of those with whom this agreement was made to the selection of lands not chiefly valuable for timber in the same manner that other owners of lands within forest reserves would be restricted.

On the same day your Department transmitted a copy of the report of this office to Mr. Mondell and advised him that you concurred therein. See House of Representatives Report No. 2233, Fifty-eighth Congress, second session, pages 8 and 9.

By letters dated August 24 and September 8, 1904, addressed to your Department, this office submitted recommendation on the application of the Santa Fe Pacific Railroad Company, through Messrs. Britton & Gray, that it be allowed to select an additional 100,000 acres of land before completing its "restricted" selections as provided for in the original agreement and, after setting forth the facts, the letter of September 8, 1904, contained this statement:

In view, therefore, of the explicit agreement voluntarily entered into by the company and of the fact that such agreement has once been materially modified, and that every modification necessarily involves time and labor in its administration, this office adheres in its recommendation expressed in its report of August 24, 1904, that there is no sufficient reason shown for any further modification of the agreement.

The aforesaid reports and recommendation of this Office of August 24 and September 8, 1904, received the approval of your Department, but I have no memorandum of the date when your decision therein was rendered.

May 12, 1905, this office, pursuant to your letter of March 30, 1905, submitted a report giving detailed statements as to the compliance on the part of the owners of the odd-numbered sections of lands situated within the San Francisco Mountains Forest Reserve with their agreement in the matter of the selection of nontimbered lands, etc., wherein it was shown that the Santa Fe Pacific Railroad Company and the Aztec Land and Cattle Company had apparently failed to comply in full therewith, and instructions from your Department were requested as to the procedure to be adopted by this Office.

May 17, 1905, after reciting the facts, you directed:

You will advise the Aztec Land and Cattle Company and the Santa Fe Pacific Railway Company that no further unrestricted selections will be approved or received until they shall have complied with their respective agreements in the matter of selections within the restricted territory.

In the meantime, and until such compliance, your Office will suspend approval of unrestricted selections of the Aztec Land and Cattle Company and Santa Fe Pacific Railway Company pending in your Office until such compliance is made and will give local officers proper instructions.

August 18, 1905, after a showing made by the railroad company that it had complied with its agreement, transmitted by the letter of this Office of August 2, 1905, you directed as follows:

Your Office will therefore regard the agreement of the Santa Fe Pacific Railroad Company as performed in substance and its real intentment, and the suspension of unrestricted selections ordered May 17, 1905, is hereby as to that company released.

The suspension was subsequently released as to the Aztec Land and Cattle Company upon a like showing by that company.

April 19, 1905, this Office submitted for your consideration and approval, if found correct, a circular addressed to Registers and Receivers, "Instructions under act March 3, 1905, repealing act of

June 4, 1897, and acts amendatory thereof, allowing selections in lieu of lands situated in Forest Reserves, and defining the scope of the provisions relating to contracts entered into between the Secretary of the Interior, etc., with directions thereunder," and on May 16, 1905, this circular, or letter of instructions, met with your approval. The circular states:

In providing that "the validity of contracts entered into by the Secretary of the Interior prior to the passage of this act shall not be impaired" Congress referred to, recognized, and authorized the consummation of certain agreements entered into between the Secretary of the Interior and the owners of certain odd-numbered sections of land in the San Francisco Mountains and Grand Canyon Forest Reserves in Arizona, and the owners of certain lands, not theretofore reserved but included by the President's proclamation of December 22, 1903, within the Santa Barbara Forest Reserve in California.

Under this provision selections are still authorized to be made in satisfaction of tracts relinquished, or to be relinquished, as follows: First, of odd-numbered sections within the San Francisco Mountains Forest Reserve, Arizona, relinquished or to be relinquished to the United States, either by the Santa Fe Pacific Railroad Company, the Aztec Land and Cattle Company, the Saginaw and Manistee Lumber Company, William F. Baker, or Edward B. Perrin; second, of odd-numbered sections within the Grand Canyon Forest Reserve, Arizona, relinquished, or to be relinquished, to the United States by the Santa Fe Pacific Railroad Company; and, third, lands, of both even and odd numbered sections, within the Santa Barbara Forest Reserve, California, as defined by the President's proclamation of December 22, 1903, but which were not included within the former Pine Mountain and Zaca Lake Forest Reserve, nor within the former Santa Ynez Forest Reserve, and relinquished, or to be relinquished, to the United States by either the Santa Barbara Water Company or Jed L. Washburn. Upon the presentation of such relinquishments, with applications to select lands in lieu thereof, in accordance with instructions of July 7, 1902 (31 L. D., 372), you will accept same if otherwise unobjectionable.

The owners of odd-numbered sections of land situated within the San Francisco Mountains Forest Reserve have from time to time, in accordance with your order of May 14, 1902, submitted general abstracts covering large areas of land bringing the title in themselves down to the date of the preparation of the abstract, and such abstracts when received in this Office have been carefully examined and submitted to your Department with the recommendation of this Office, either as to their approval or their rejection. If approved by your Department, a note has been made of such approval in a book kept for that purpose, and the abstracts filed in such manner as to be easily accessible to clerks and examiners who may thereafter be required to consider them.

The plan, while no doubt relieving the applicants from considerable expense, has been found to greatly expedite the business of this Office in the examination of the titles to such lands. For instance, an abstract covering 100,000 acres of land having a common source of title and each tract being similarly affected by transfers, court proceedings, or in any other manner, can be easily disposed of as though only 40 acres were involved in the proceeding. Examination of the supplemental abstracts is a very simple matter, as under the terms of the agreement no transfers other than to the Government were permitted, etc.

When the President's proclamation was issued April 12, 1902, creating the San Francisco Mountains Forest Reserve, a large part of the odd-numbered sections of land included in the consolidated reserve held in private ownership was unsurveyed. To secure the survey of the lands the Santa Fe Pacific Railroad Company has from time to time made special deposits under the provisions of the act

of February 27, 1899 (30 Stat. L., 892). After the approval of the surveys and the filing of the plats thereof in the local land office, the successors in interest of the Atlantic and Pacific Railroad Company, to which company the original grant inured, have listed the lands, the lists have been examined by this Office in the regular course and approved by your Department if found correct, and patents issued thereon, after which the lands covered by the patents became available as selection bases.

Owing to difficulties encountered in the execution of the field work, the last of the surveys were not completed and accepted by this Office until September, 1905. There are now pending in this Office two lists by the Santa Fe Pacific Railroad Company, successor in interest to the Atlantic and Pacific Railroad Company, aggregating 32,262.94 acres. With this exception all of the lands within the railroad company limits situated in the San Francisco Mountains Forest Reserve have been patented to the Atlantic and Pacific Railroad Company where it was found entitled thereto, or to its successors in interest.

Selections have been made in the various land offices and received in this Office based on all the lands affected by the contract hereinbefore referred to with the Secretary of the Interior, except 178,666.21 acres. This area includes the 32,262.94 acres above referred to as being now embraced in lists pending before the Office, and 5,438.92 acres where the selections have been canceled. About 5,000 acres of this area must be satisfied by the selection of nontimbered land south of the thirty-seventh parallel and the Tehichipa Range of Mountains, the remainder may be satisfied by the selection of any surveyed nonmineral public land subject to homestead entry.

There are attached hereto and made a part hereof, marked respectively Exhibits "E," "F," and "G," maps showing, first, the San Francisco Mountains Forest Reserves; second, the San Francisco Mountains Forest Reserve as now established; and third, the watershed of which the San Francisco Mountains Forest Reserve includes a part.

There has been little or no opposition manifested toward the consolidation of the San Francisco Mountains Forest Reserves into the San Francisco Mountains Forest Reserve in so far as this Office has been advised, except by the local county authorities in the counties in which the reserve is situated. The removal of such a large area from taxation has excited some opposition on the part of the citizens of those counties.

Very respectfully,

W. A. RICHARDS,  
*Commissioner.*

The SECRETARY OF THE INTERIOR.

## EXHIBIT A.

PROCEEDINGS BEFORE THE SECRETARY OF THE INTERIOR IN THE MATTER OF  
THE PROPOSED CONSOLIDATION OF THE SAN FRANCISCO MOUNTAINS FOREST  
RESERVES, ARIZONA.WASHINGTON, D. C., *January 11, 1901.*Hon. E. A. HITCHCOCK,  
*Secretary of the Interior.*

SIR: If the President of the United States, by proclamation, shall immediately extend the limits of the San Francisco Mountains Forest Reserve so as to include all of the odd-numbered sections now owned by us falling within the present exterior limits of such reserve, we, the undersigned holders of title to such odd-numbered sections, hereby agree to surrender to the United States our titles in such forest reserve, under the act of June 4, 1897, on the following basis:

One hundred and eighty thousand acres of our said present holdings to be exchanged for nontimbered public lands lying south of the thirty-seventh standard parallel of latitude, and south of the Tehachapi Range of Mountains, and the remainder of our lands in said enlarged reservation to be exchanged by us under said act of June 4, 1897, and amendments thereto, without any other restrictions whatsoever on the part of the Santa Fe Pacific Railroad Company, it being, however, understood that the company will not be expected to surrender any lands needed to be retained by it for railroad purposes; and such railroad purposes being understood to include rights of way of all kinds, station grounds, pumping stations, dams, reservoir sites, stone quarries, deposits of cinders, gravel, or other material for ballast, and also other land needed for railroad purposes, but not including lands held solely for the timber thereon.

This proposition is made with the further understanding that in case of its acceptance, the Government will, in every reasonable way, so expedite all necessary surveys and approval thereof, and the issuance of patent to the railroad company, as to enable said company, and the undersigned holders of title under its grant, to carry out this agreement.

Very respectfully,

E. D. KENNA,  
*Vice-President and General Solicitor Santa Fe  
Pacific Railroad Company.*WILLIAM F. BAKER,  
E. B. PERRIN,  
ROBERT PERRIN,  
By E. B. PERRIN,  
*Attorney in Fact.*

Approved, and the Commissioner of the General Land Office will carry the above into immediate effect.

E. A. HITCHCOCK,  
*Secretary.*

## HEARING ON THE ENLARGEMENT AND CONSOLIDATION OF THE SAN FRANCISCO MOUNTAINS FOREST RESERVES, ARIZONA.

DEPARTMENT OF THE INTERIOR,  
Washington, February 6, 1901.

The conference commenced at 3.30 p. m.

There appeared before the Secretary, opposing the consolidation of the reservations, the following delegation from Flagstaff: Messrs. E. S. Clark, J. C. Phelan, D. Babbitt, and J. G. Verkamp.

In favor of the proposed solidification of the reservations, there appeared the following delegation from Phoenix: Messrs. S. M. McCowan, J. W. Woolf, and Dr. A. J. Chandler.

There also appeared Mr. Alexander Britton, representing the Santa Fe Pacific Railroad Company, Hon. Binger Hermann, Commissioner of the General Land Office, and Mr. James I. Parker, chief of the lands and railroads division, office of the Secretary of the Interior.

The SECRETARY. Gentlemen, I am sorry to have delayed you here the past two days, but we had important hearings in other matters which prevented me setting an earlier date than this afternoon.

This hearing is held in consequence of a telegram which I received on the 19th instant, reading as follows:

The people of Coconino County, Ariz., learning that arrangements have been made with the Secretary of the Interior whereby over 1,000,000 acres of odd-numbered sections of grant lands within the Black Mesa and San Francisco Mountains Forest Reserves will be, by Executive order, included in said reserve, be relinquished to the Government, do, through the board of supervisors, earnestly protest against such action, for the reason that it will draw all said lands from taxation, destroy the large stock interests of the county by its exclusion from said reserves, which will bankrupt this and seriously damage Navajo County adjoining. We therefore urge that you withhold approval of the order effecting this until our representatives can reach Washington, and that you advise us by wire if order has already issued. There is a heavy bonded debt against that county—\$200,000—for the payment of which these lands are pledged and without which the requisite taxes can not be raised. The order if effected will withdraw \$1,000,000 in taxable values from the county.

J. C. PHELAN,  
*Chairman Board of Supervisors.*

To that I replied as follows:

JANUARY 20, 1901.

J. C. PHELAN,  
*Chairman Board of Supervisors, Flagstaff, Ariz.:*

Your telegram of the 18th to the President has been received. The Department will be pleased to hear any statement you may have to make before requesting the President to issue the order respecting the Black Mesa and San Francisco Mountains Forest Reserves referred to in your telegram. Please advise when the Department may hear from you.

E. A. HITCHCOCK, *Secretary.*

Mr. CLARK. Mr. Secretary and gentlemen, on behalf of the protestant, the citizens and board of supervisors of Coconino County as their spokesman, I desire this afternoon to preface my remarks by referring to a statement which has been presented to a mass meeting of the citizens of Coconino County, and read to and approved by them, which is in the nature of a statement of facts. It does not purport to be an argument. I might further preface by saying that, possibly, the telegram which has just been read, which states that over 1,000,000 acres will be withdrawn from taxation, may overstate the case a trifle. I see, by reference to the Executive proclamation establishing the San Francisco Forest Reserve, that only 975,000 acres of even-numbered sections are included therein. I presume that there will be within a few acres of the same number of odd-numbered sections, the even-

numbered sections only including half of the several townships included in the reserve.

The San Francisco Mountains Forest Reserve, as the Department knows, was created by Executive order of August 17, 1898. It included, as I have already stated, only the even-numbered sections, the odd-numbered sections being excluded in terms from the proclamation. This left the county substantially, as far as taxable property was concerned, in the same condition that it had been theretofore. It is true there were small holdings of homestead lands, some preempted lands, some commuted lands, upon the even-numbered sections included within this reserve. But, inasmuch as nearly all of those have been relinquished to the Government and lieu lands selected therefor, and inasmuch as altogether they only amount, according to our county records, to about 21,000 acres, it will be seen that the effect of those small holdings, or their withdrawal, was not serious. But when it comes to taking out practically one-half of the valuable lands in the county, and it is beyond controversy that this forest reserve includes nearly all the lands in the county which are of value, either for agriculture or for grazing, it becomes a serious proposition to the resident property holders of that county.

This statement, to which I have referred, shows that—

The following-named corporations are the owners of the odd-numbered sections within the exterior boundaries of said reserve, and are assessed upon the assessment roll of said Coconino County for the surveyed and selected portions of said lands in the amounts set forth in the following table, to wit:

Name.	Acres.	Valuation.
Santa Fe Pacific Railroad Co. ....	301,543	\$60,308.75
Saginaw and Manistee Lumber Co. and E. B. Perrin .....	369,955	116,857.67

Before I go further with this list I would like to suggest that the railroad lands in Coconino County, those included in this reserve, are only assessed at 20 cents per acre throughout, without regard to character or value. The only reason for that is that, by the terms of the charter of the Santa Fe Pacific, which was the old Atlantic and Pacific Railway Company, Congress saw fit to exempt the right of way of that company wherever it passed over the public lands within the Territory.

This question of exemption was taken to the Supreme Court of the United States, and has there been decided in favor of this railroad, now the Santa Fe Pacific. As soon as that decision was promulgated, the railroad company took the ground that it was not taxable within the county of Coconino, or any of the other counties of Arizona, upon its right of way, or the superstructure, or any of the improvements within the 100-foot limit on either side of the main line, or within the station grounds in the towns and villages, amounting in some cases to many acres. Of course that meant a very serious withdrawal of taxable values, and in the discussion which followed between the authorities of the several counties and the railroad officials, and the conference, so called, in Los Angeles, in which the necessities of the county were fully discussed and the whole situation gone over, it was decided or agreed between the representatives of each of the counties of Arizona through which this railroad passes and the railroad officials that

the right of way through these several counties, for the term of five years, should be assessed at a valuation of \$2,500 per mile if the several counties would permit the valuation of the railroad lands within its grant in those counties to remain as it had theretofore, at 20 cents per acre. That agreement was entered into by all of the several counties, and it has been lived up to by all the counties and the railroad for the last two years. We are now in the third year of the agreement. It was not understood at the time the agreement was made why it should be limited to five years. I mean to say that it was not understood on the part of those representing the county. It seems apparent now. I of course say this with the highest respect for the railroad company and its representative present. It seems to me now that if lands which became the basis and formed the essence of that agreement are to be withdrawn by governmental action from taxation, and withdrawn from the ownership of the Santa Fe Pacific Railroad Company, it will readily be seen that there will remain no incentive or motive for their paying any taxes whatever upon the right of way, which the Supreme Court has already declared to be entirely exempt from taxation; and therefore I make the suggestion that the reason for limiting this agreement to five years seems now to us, who were then unadvised, for the first time to be plain.

Saginaw and Manistee Lumber Company and E. B. Perrin, 369,955 acres; valuation, \$116,857.67. In addition to which said corporations own large tracts within said reserve, approximating 300,000 acres, which are unsurveyed and are not yet listed for taxation, but which will soon become a taxable asset of the county.

It is contended by the railroad company and by Doctor Perrin that until the lands within their grants are surveyed and the lists entered and approved at the local land office they are virtually public lands; that they belong to the public domain and are not taxable; and, rather than press this question to an issue, and make upon it litigation in all the counties for years past, all the counties have agreed that only the lands surveyed and selected within the 40-mile limit of that grant shall be entered for assessment, so that either of these corporations, even under the existing conditions, is paying but a very low rate of assessment, and not assessed on nearly the amount of land which they claim under their conveyance from the Atlantic and Pacific Railroad Company.

The SECRETARY. What is the total acreage which you have been assessing on?

Mr. CLARK. On the Santa Fe Pacific Railroad a little over 669,000 acres.

The SECRETARY. So that, referring to the statement you submitted, it is not a withdrawal of a million acres, or nine hundred and some odd thousand acres?

Mr. CLARK. Not at this time. They are a taxable asset of the county, and will become in the near future assessable, because it is the policy of the Government to survey these lands and prepare them for settlement and occupation.

The SECRETARY. My point is, at present you will be no worse off than you are now with respect to about 300,000 acres of land.

Mr. CLARK. That allows about 669,000 acres of taxable land.

The SECRETARY. But you would not lose anything if the lands be put into a solidified reserve, because you have not lost anything up to the present time.

MR. CLARK. That is true; but we would lose the current year's taxation should the lands be covered into the reserve now, for the reason that the tax lien attached only last Monday.

Whereas the cattle, horses, and sheep ranging on said reserve and taxed in said county are valued at \$485,950.

We say "ranging on said reserve" for the reason that beyond the limits of this reserve I only know of one band of sheep amounting to very much owned within the county of Coconino, and they are only there a short time each season. All the other sheep are dependent for range during the summer season upon lands situate somewhere within the San Francisco Mountains Forest Reserve. The same is true of cattle and horses.

The rate of taxation on all of which property, described as aforesaid, is \$3.82 upon each \$100 of assessed valuation.

THE SECRETARY. Lest I should forget it, right there, what is the rate for property in Flagstaff and in the county outside of the reservation?

MR. CLARK. One per cent.

THE SECRETARY. Why is that difference? Why 1 per cent in one and \$3.82 in another?

MR. CLARK. The town of Flagstaff is incorporated. I meant to say to you that this 1 per cent is in addition to the county rate. Every property holder within the town of Flagstaff pays upon every dollar's worth of his property, all assessed at the full cash value, \$3.82 for each \$100 each year, and, in addition to that, a city tax of 1 per cent, making \$4.82 that the residents of the town of Flagstaff are compelled to pay.

Whereas the county of Coconino has a bonded indebtedness of \$192,500, for which said lands are pledged, classified as follows:

Bonds issued in liquidation of debt to Yavapai County.....	\$159,000
Bonds issued for construction of court-house and authorized by special act of Congress.....	15,000
Bonds issued by school district No. 1.....	15,000
Bonds issued by school district No. 2.....	3,500

In addition to which the town of Flagstaff has issued its bonds, authorized by special act of Congress, in the sum of \$95,000 for the construction of a system of waterworks; the several issues aforesaid being payable, respectively, at the bank of Gilman, Sons & Co., New York, the National Bank of Commerce, New York; and the Hanover National Bank, New York.

THE SECRETARY. How are the waterworks owned and controlled?

MR. CLARK. Owned and controlled by the town of Flagstaff, as a municipality. It was authorized by an act of Congress of 1896, I think it was, to issue those bonds in the sum of \$65,000. That was found to be inadequate, and afterwards another act was passed which enabled it to increase that issue to \$95,000, and that is the sum for which the town is bonded for the construction of this system of waterworks. I think it goes without saying that was a good investment. It saved the town from absolute annihilation, because we had at that time no other means of procuring water.

THE SECRETARY. What revenue do you get from the waterworks?

MR. CLARK. I think the total town revenues are something like \$15,000 or \$20,000. I can give you that a little later from the statement here. All the revenues, practically, that we had received, aside from the tax, are from the waterworks, the license taxes being insig-

nificant in a small town of that kind. Now the situation may be analyzed, I think, in about this manner:

If this reserve should be consolidated, the first result would be the loss of all these taxable lands—something over 670,000 acres—and the prospect of a loss of something like 300,000 acres more. Secondly, should the declared policy of the Government as to the exclusion of stock from forest reserves be put into effect there—and we are told that it will be, and will be one of the first things done—that will strike from the assessment rolls of the county the valuation of all its stock. Those two large general items added together comprise, at the present moment, approximately one-half of the taxable value of the county, or a little over \$1,000,000. Now, it is plain to be seen that with a tax rate of \$4.82 in the town of Flagstaff and \$2.82 in all the balance of the county, and with a valuation of \$2,000,000, if that be diminished by one-half the effect upon remaining values will be instantaneous and disastrous.

It needs no argument to show that when the tax rate upon property started at \$3.82 is doubled if not trebled in one stroke of the pen, it immediately becomes undesirable in a small and weak and already impoverished county like Coconino County. So it is my contention, and only a glance will verify it, that the remaining property will be diminished in value at least one-half. I have the testimony of property owners in Coconino County to the effect that, should this be accomplished, they will all be very glad and extremely willing to sell anything they have at one-half the present taxable valuation, and I believe that Mr. Babbitt, who accompanies this delegation, and who is one of the largest individual property owners in the county would sell his property at this moment if he believed this were an assured thing for one-half of what it is assessed for to-day on the tax rolls of Coconino County.

Now, if I am correct in this, and I sincerely believe I am, and I believe my belief is shared by every intelligent resident of that county, there would only remain within the county of Coconino 25 per cent of the present taxable valuation, and the present revenues of the county and the town together barely suffice to meet the interest charges and the expenses of maintenance. It takes, in round numbers, to run the town of Flagstaff and the county of Coconino, as separate governments, over \$70,000 annually. When we have finished paying our annual expenses there is never any surplus to trouble us. It is always entirely gone. We come out even, or a little short, perhaps, every year.

The SECRETARY. You mean \$70,000 represents the cost of county and municipal government?

Mr. CLARK. Yes, sir; and the interest charges we are compelled to meet and the taxes of the Territory.

The SECRETARY. That includes interest charges?

Mr. CLARK. Certainly; oh, yes.

The SECRETARY. Can you tell me the proportion of that which goes to the interest on bonded indebtedness and what proportion to the operating expenses, so to speak?

Mr. PHELAN. The county government costs about \$40,000 operating expenses, and the interest about \$20,000, and Territorial tax about \$14,000.

The SECRETARY. The statement has been made that it costs \$70,000 to take care of the charges of the county and the city of Flagstaff. I

understand by that it takes \$40,000 to pay what you call, in business concerns, operating expenses—the machinery that takes charge of the county government and the city; but you say the charges on the bonded indebtedness amount to about \$20,000. I have not looked into the figures yet.

Mr. CLARK. I did not give the items. The rates are given here, and it is only a matter of calculation: but about \$40,000 is what it costs to run that county. The salaries are not exorbitant, but they are high, and everything is expensive. The interest and the Territorial tax are said to be, in round numbers, perhaps \$20,000. The town of Flagstaff may have to expend nearly \$15,000 in interest upon its bonded indebtedness and its operating expenses. Now, as to the amount of debt that we owe, I have already stated that the county owes \$192,500; the town of Flagstaff, \$95,000 of thirty years 6 per cent bonds, and it has a floating debt of about \$19,000. All of these debts must be met by a tax levy upon approximately 25 per cent of the existing taxable value.

The SECRETARY. I thought you said the tax was based on actual cash value of the property. What do you mean by 25 per cent?

Mr. CLARK. That 25 per cent will remain as the effect of the consolidation of the reserve. If you take half of the property away, actually take it away, by excluding stock from those reserves and by withdrawing taxable lands, it is only a matter of figures, as I have already shown. There is half the property gone. Now, with half the property gone, we say that the remaining half will become so undesirable by reason of the exorbitant tax that must be laid upon it, that it will become so undesirable by reason of the diminution of the business of the county (the stock business is one of the principal resources of the business men in that county to-day) by reason of the general discouragement and depression that will ensue from the knowledge of the fact that one-half is gone, we say that the remaining one-half will depreciate until it is only worth one-half of what it is taxed at to-day. So that leaves us, from the moment the order becomes effective, only 25 per cent of the present taxable values. That is what I mean. And it is impossible that the present taxes, to wit, nearly \$70,000, can be raised from that amount of property. It will be abandoned of necessity. It will be sold for taxes. The county will become insolvent, and it will repudiate its public debt, not of choice, but of hard necessity. I undertake the assertion that, if I am correct in my estimate as to the results upon the property in Coconino County, and I believe I am, and I believe Mr. McCowan shares with me in this opinion, for he has said so, there will not be another tax levy laid in the county of Coconino. Should there be one, it will never be collected, because it would be impossible to do so. Should it be attempted to collect it, the person attempting it will have an empty judgment for his pains. The people of Coconino County have no desire to repudiate their debts. It goes without saying that the holders of these securities have no desire to lose the amount of money they have invested. But both these results, should this reserve be consolidated and the stock be excluded, are as inevitable as that the sun is at this moment declining. The reasons for consolidating this reserve I ask a moment's indulgence to touch upon.

I have tried, as a citizen of perhaps not much less than ordinary intelligence, to ascertain who first would be the beneficiaries. I concede, of course, in addition, that the preservation of the forests is a

matter of extreme moment, not only to the people of the West, who live there and whose interests there ought to be quickly affected by anything affecting the forests, but to the people of the entire nation. But in this instance, while it may be true that the cutting of timber will be retarded for a time – it will be retarded upon the slopes of the San Francisco peaks – is it not true that timber land must be and will be elsewhere given to these corporations in exchange for these very lands? Must not the whole stock of timber in the United States, at some time, yield its pro rata, yield the foot for foot, yield the cord for cord, of every tree that is standing within the railroad grant land of the San Francisco forest reserves to-day? If that be conceded, and I believe it will be, because under the terms of this order it is shown that only 180,000 acres of nontimbered land are required to be selected by this railroad company and by these other corporations – if it is true, then all the balance of the land owned by them will, as I believe, be exchanged for timber lands upon the public domain. If they are not at present surveyed, I, of course, understand that these selections may be restricted to surveyed lands. I understand the agreement contemplates that surveys be made; therefore, that restriction will be a dead letter. So that I believe, as far as the public is concerned, the whole public, the general public, no benefit can be possibly figured out of this proposed exchange. It is urged by our good neighbors in the Salt River Valley that unless this reserve is consolidated, the destruction of the forests there by sawmills, now being operated, and by stock now grazing there will seriously impair the watershed of the San Francisco slopes, and therefore diminish the supply of water to the Salt River Valley. Certainly the people of Arizona, if they are anything, ought to be united. They are there as neighbors together, and the people of the south, of the Salt River Valley, are as much dependent upon the people in Coconino, Navajo, and Apache, as one family in a community is dependent upon another for its proper support, to law, order, good government, and common benefit. Now, to start out, I do not propose to rehash all the old sheep and cattle arguments here; but I will make the general statement that three-fourths, at the very least, of the snowshed, of the watershed, of the San Francisco Mountains Forest Reserve drains clear away from the Salt River into the Little Colorado, carried into the Big Colorado, thence around the western boundary of the Territory down into the Gulf, never coming near the Gila River valleys. It is true, along the southwestern portion of this reserve, there is a small portion of land which drains into Sycamore Canyon, thence into Oak Creek, thence into the Verde River, and on into the Salt River. Of course it is true that all of the great slope and rim rock of the Moqui Mountains all flow south, and I have heard it contended by some who claim to be scientists that the bed rock in that country inclines to the south, that rains and snows of winter percolate into the ground, follow bed rock, and finally break out away below south of the rim rock spoken of, and in that manner build the tributaries of the Salt River, notwithstanding the fact that the surface inclines north and sheds north. I am not sufficiently versed in the geology of Arizona to contradict this statement or to verify it; but I do not believe the man lives who can say, with any assurance, that he knows the condition of the bed rock or of the strata 10 feet underneath the soil of Arizona. It is a constant surprise wherever mining is carried on,

especially in the north, and one surprise after another is met in the formations encountered. It is broken, bent in all shapes, and for anyone to undertake to say that the general trend of that bed rock is south is to say something not warranted in the investigations so far had. I do not know what the recent reports of the forestry experts sent to investigate in the Black Mesa Reserve and the San Francisco Mountains Reserves will be, but I am led to believe, from what I have heard in a general way at the Department of Agriculture, that it will be held that grazing under proper restrictions from the Department of the Interior—and speaking generally—will not be injurious to the forestry of that reserve. It will, I believe, be held, and I think properly, that there are some portions of the reserve which ought to be protected, and from which stock should be excluded. I fully concur in that, and I have personal knowledge of some of those places. But they constitute such an insignificant portion of the whole that it is safe to say that, generally speaking, their report will be, as I believe nearly all men in that country agree, that the grazing of sheep and cattle under intelligent restrictions, such as will be promulgated by this Department, will prove to be beneficial to the forests in that region.

Now, I would also like to touch upon this: Where did the purpose to effect this exchange originate? I can not see, as far as I have been able to investigate, that it ever had its origin in the Government. I have investigated the early orders made. I have investigated the case of the Santa Fe Pacific Railroad Company, which, shortly after the order made, undertook to exchange one section of its lands in that reserve. I would refer to your office decision, or rather to your decision affirming the Commissioner of the General Land Office's decision of March 9, 1900, found in 29 L. D., 597. It was at that time the declared policy of the Government not to include the odd-numbered sections in the townships included in the San Francisco Mountains Reserves, and for the very reason that too much land of private ownership would thereby be included and would be, to summarize the language of the decision, a burden to the Government. It would permit the exchange of too many lands, too great a latitude in doing so; and the matter was held by this office to have been fully considered by the President and the Secretary before the reserve was created, and good reasons were then considered to exist for not making one large general reservation. I say that I believe the railroad company and Dr. Perrin are just like any of the rest of us; I believe they are like the ordinary Arizonian. If he sees a chance to make a good horse trade, he makes it. I would. It can not for one moment be contended that, even as to the 180,000 acres of nontimbered lands to be selected under this exchange, that it will lose, because the very vicinity in which they are to be selected, and the character of the lands which they are to relinquish in lieu thereof, show that it would be very difficult for them to select lands anywhere on the public domain which would be of less value than those they are surrendering. As to the other lands, aggregating over 700,000 acres, it is certain that if there were not other lands more desirable and valuable to this corporation they would not desire to make this exchange. So that I think, instead of this exchange being called for by an appeal from the public, it has come from those who are interested; and when I say "interested," I say it without the slightest intention of reflecting upon the motives of any

of these gentlemen, or any of these officials, or any of my neighbors in Salt River Valley. I do not think, if I may be permitted to assume, that either the Santa Fe Pacific Railroad Company, or Dr. Perrin, or Robert Perrin can be heard to say that they were injured, or that their interests were in any way prejudiced, or that their use and occupation and enjoyment of these granted lands were prejudiced by the establishment of the San Francisco Mountains Forest Reserve. They owned that grant in checkerboard form long before the establishment of this reserve was even dreamed of. They received it in that form from the Government of the United States, an empire, and there was no complaint made then that it was not satisfactory; and they have held it for many years, and if any complaint has been made as to its form and condition I have not heard it. If it was a good thing then for the Santa Fe Pacific Railroad Company in 1866, it ought to be a good thing in 1901. It can not be said that their occupation or use of it was in the least restricted. They could not prior to the establishment of this reserve exclude stock, sheep, cattle, or horses from the free grazing upon this land. They could do it after the reserve was created should this Department promulgate a regulation prohibiting it excluding sheep from it, for the very reason that prior to the establishment of the reserve the Government had no control whatever over the even-numbered sections in there except as it was settled upon by intending homesteaders here and there. But after this reserve was created and established then it became the privilege of the Government to say to every stock owner within those limits that he must take his sheep and cattle away from there. And that order would have been obeyed immediately, and it would to-day. No action whatever needed then to be taken by the railroad company to secure the freest and fullest use of its odd-numbered sections within that reserve except simply to ask this Department, for the interests of the forests and its own lands in there, to make such an order—a highly proper request—to exclude stock therefrom.

The SECRETARY. Are you contending that the Government had the right under the checkerboard system to exclude stock from the private holdings?

Mr. CLARK. I certainly do not, but my contention is this: Dr. Perrin has complained, and representatives of the railroad, that under the checkerboard system of this reserve they could not control the use of their own land; the private stock owned by others than themselves ranged over it freely without control. I have answered that, and I do now, by saying that if the Government should promulgate an order excluding this stock from the even-numbered sections of necessity this would have to involve the odd-numbered sections unless the railroad company or Dr. Perrin executed a private lease to the selfsame stockmen giving them the right to graze upon odd-numbered sections, and that of course they would not do.

The SECRETARY. That has been one of the difficulties in the Government endeavoring to keep stock off there.

Mr. CLARK. Might I be permitted to ask if an order was ever made in terms excluding sheep and cattle from the San Francisco Mountains Forest Reserve?

Mr. HERMANN. Yes; there is an order pending there now.

Mr. CLARK. I merely want to know if the experiment of actually issuing an order had been tried.

Mr. HERMANN. Yes, sir.

Mr. CLARK. I beg pardon for my seeming ignorance.

Mr. HERMANN. Yes; Dr. Perrin brought me a notice that our supervisor had served on him, and we told him that, as far as his own lands were concerned, we did not propose to interfere; that he could drive on or off, but, as far as the odd-numbered sections of the Government lands were concerned, he was interdicted without a permit. We have been giving permits.

Mr. CLARK. Yes, sir; but permits issued generally to every man who owns sheep within the San Francisco Mountains Forest Reserve. As long as they had a permit, it did not make any difference what the prior order had been. If they had a permit allowing them to range their herds there, notwithstanding the order, of course the order itself had no effect except as a matter of regulation. The point I wish to make was, if the Department had ever issued a flat-footed order excluding stock from those reserves it would have gone, and every single man in that county will go to-morrow if such an order is promulgated to-morrow.

Mr. HERMANN. Since the 1st of December the order is peremptory that all stock must be driven off those reserves.

Mr. CLARK. It is now in effect?

Mr. HERMANN. Yes, sir.

Mr. CLARK. I suggest that there are no sheep in there during the winter months, and it can not be operative until the time for their return; then, of course, if the order is in effect, they will not return.

As to the policy of the Government in consolidating large reserves of this kind in other parts of the country, I see by the report of the special agent of this Department, made to the Commissioner of the General Land Office—Special Agent James D. Mankin—referring to lands situate within the Territory of New Mexico, concludes his recommendations in these words:

An examination into the title of the lands in this tract shows that it is, for the most part, Government land, and that no interests involved can possibly be injured by reserving the lands as a national park.

That suggestion brings me to the conclusion of my remarks. It really brings up the legal aspect of this case. I trust I may be pardoned for suggesting that, in my judgment, it seems to me as though the inclusion of so much private land in a forest reserve as is intended to be done in the San Francisco Mountains Reserve by its consolidation goes at least to the limit, if not beyond, the provision of the law authorizing the establishment of forest reserves. It is quite clear, from a glance at the law, that it contemplated only the inclusion of large areas of public domain, and, of necessity, such small tracts, held by small holders here and there, as might have occurred in a limited development of the country; but here is a proposition which takes in more land than there is in some States of the Union—more private land. It proposes to give timbered lands in one place for timbered lands in another. It proposes to give vast areas of nontimbered lands in one place for timbered lands in another.

The SECRETARY. Why do you say that?

Mr. CLARK. I say that simply on my belief. The terms of the agreement lead me to believe that. The agreement says that as to 180,000 acres of these proposed lands to be exchanged, that land shall be selected below the thirty-seventh meridian in California, and south

of the Tehachapi Mountains, and all of the rest shall be selected without any restriction. Now it would seem to me to be a fair assumption that when this land may be taken with a free hand, when these corporations are permitted to select where they will, I say, it seems to me they will naturally select the very best lands they can find on the public domain. I simply refer to a well-known trait of human nature in making this assertion, and state it as a matter of belief.

The SECRETARY. I do not think you understand the agreement. The Department of the Interior has had a year and a half of contention with our friends down there on that very point, to avoid the possibility of having to give timbered lands for untimbered lands, and it is specifically stated in the understanding reached with them that they shall have only untimbered lands for 180,000 acres of untimbered lands, and I think you are presuming a little too much to suppose that the Department will go to work to stultify its own action.

Mr. CLARK. It is quite possible I misunderstood the terms. I copied from the original agreement.

The SECRETARY. The facts are, the correct amount of land they propose to take in exchange for the 180,000 acres, the location and character thereof, are to be submitted to the Department, and their selection will not be approved unless it conforms strictly to the fact that the exchange is made "untimbered" for "untimbered" so far as 180,000 acres is concerned.

Mr. CLARK. I had read it in this manner: "That 180,000 acres of our said present holdings to be exchanged for nontimbered lands lying south of the thirty-seventh parallel of latitude, and south of the Tehachapi Mountains, and the remainder of our lands of the enlarged reserve to be exchanged by us under the act of June 24, 1897, and amendments thereto, without any other restrictions whatsoever."

The SECRETARY. But it first states that the 180,000 acres are to be exchanged for nontimbered lands, and I do not see how words could put it more plainly, and the latter part relates to the lands which they give the Government, timbered.

Mr. CLARK. I understand that you have ascertained that there are only 180,000 acres of nontimbered lands in the lands to be surrendered by the corporations?

The SECRETARY. That is the understanding. And we assume and believe, after very thorough examination by the Geological Survey, and of the records of the Land Office, that of the total quantity of land we have proposed to surrender there were only 180,000 acres that could be classed as untimbered lands, and that amount was agreed upon to be given in exchange for lands of like value; that is to say, untimbered lands for untimbered lands. And if you gentlemen were aware of the contention that the Department had with those gentlemen involving this question, you would not entertain for one moment an idea that they will get one acre of timbered land for untimbered land.

Mr. CLARK. I will say this for the information of the Secretary: I had a long talk with Dr. Perrin prior to the consummation of this agreement, and he informed me that the Department was willing to make this exchange of lands provided the lands selected in lieu thereof should be equal in character and value. He said that was not satisfactory to him, and it is not satisfactory to the railroad company, and I must beg your pardon for having gained a wrong impression from

Dr. Perrin. He did inform me that the present arrangement was satisfactory, and it is due to him that I have gained a misapprehension.

The SECRETARY. The arrangement speaks for itself regardless of anything Dr. Perrin may have said to you and was only reached after dozens of interviews to get the vexed question settled.

Mr. CLARK. Well, I think I have said as much as I care to say, except that it might be called with some profit to the attention of us all this fact: The Jack Smith spring, whence the town of Flagstaff draws its water supply, is situate near the top of the San Francisco Mountains. It is high above any level where sheep, cattle, or any other stock range. It can not, therefore, be affected by the range of stock. Yet that spring has dropped down within the last three seasons, owing to the drought prevailing in the country, 25 per cent of its normal flow.

The SECRETARY. You say it has only 25 per cent of its normal flow?

Mr. CLARK. Yes, sir; it has lost three-fourths, and there is insufficient water there for the railroad company, and barely sufficient to supply the town and mill; so that we think that is somewhat of an argument in favor of the ranging of stock upon these reserves.

The SECRETARY. I do not see where the argument is.

Mr. CLARK. Why not? That spring has diminished in spite of the fact that no stock has ranged above it. Now, if stock had grazed above it they might adopt the Salt River Valley claim, and say it was due to sheep and cattle.

Mr. McCOWAN. Water does not come in from above.

Mr. CLARK. It does not come from below. I have seen where it comes from. We ran a tunnel about 700 feet, and it comes down through the earth and through the sides; it does not bubble up. We investigated that very carefully, and that water comes from above the level of the spring, every drop of it.

The SECRETARY. Allow me to ask you one or two questions. You say the cost of maintaining the county and the city, including all expenses, is \$70,000?

Mr. CLARK. Yes, sir; here is a tabulated statement which I will leave here. As I say, it may be said that the expenses of running the county are \$40,000 a year.

The SECRETARY. What do you mean by expense there?

Mr. CLARK. I mean operating expenses, salaries, etc., and the Territorial tax. The balance of the county expense, perhaps \$10,000 or \$12,000 more, making about \$50,000, is for interest.

The SECRETARY. How much is that interest altogether?

Mr. CLARK. About \$20,000, making about \$60,000.

The SECRETARY. That is, interest on the bonded indebtedness?

Mr. CLARK. Yes, sir; and of the town of Flagstaff, anywhere from \$11,000 to \$15,000. The expense varies; the interest, of course, is fixed.

The SECRETARY. So, taking the \$40,000 for county expenses and the \$15,000 for Flagstaff expenses, making \$55,000; if the total is \$70,000 you have \$15,000 left for interest on the bonded debt, so that the proportion of your bonded debt to the total expenditure is about as 15 to 55.

Mr. CLARK. It would be about as 20 is to 55.

The SECRETARY. In other words, your operating expenses of the city and county are more than twice the bonded debt.

Mr. CLARK. Yes; that is true, under present conditions, and of course that would be diminished somewhat, the operating expenses, by diminution of population.

The SECRETARY. You said something a while ago that the expenditures on account of salaries might be considered rather high.

Mr. CLARK. Yes, sir; but they are fixed by the Territorial law. We have no control over them.

The SECRETARY. Can not the Territorial law be changed?

Mr. CLARK. Oh, yes; very readily changed, but it is not always easy to change them as to fees and salaries.

The SECRETARY. I suppose that is the trouble; the salaries worry you more than anything else.

Mr. CLARK. I find the same trouble here in Washington. It seems to be fixed in the heads of the American people to keep those things up.

The SECRETARY. What I wanted to get at is, is there not some way by which this deficiency that you say will arise can be met by economies in other directions, and, in that connection, whether those economies would not be necessary and justifiable, in view of the other large interests that may be at stake in the Territory, because I take it from the patriotic way in which you speak of the citizens of Coconino County they are interested in whatever touches the general welfare of the whole Territory, and they do not want to do anything that would harm larger interests there.

Mr. CLARK. What little the citizens of Coconino County have is just as much to them as the larger holdings are to the people in Salt River Valley, and I do not see why they should be requested to sacrifice their own interests.

The SECRETARY. They have to contribute their portion of Territorial expenses. If you are to benefit the other portions of the Territory whereby the rate of taxation would be reduced, would not the people of Coconino County be benefited?

Mr. CLARK. Let the people of Maricopa County, who are to be principally benefited, secure the repeal or modification of these laws. We will assist them, but it does not seem to me right that the laboring oar should be cast on the weakest community in the Territory.

The SECRETARY. Are they not bearing their proportion of the expenses of the Territory?

Mr. CLARK. Fully, sir; but we are asked to be pioneers in effecting a modification of Territorial laws in order that our own expenses may be reduced.

The SECRETARY. I ask that because you alleged that the salaries there are rather high.

Mr. CLARK. I certainly think they are high.

I wish, before closing, to call your honor's attention to a memorial passed by the legislative assembly of Arizona on the 2d day of February of this year. This is a certified copy, certified by wire.

[By Postal Telegraph-Cable Company.]

PHOENIX, ARIZ., *February 2, 1901.*

DAVID BABBITT,  
*Hotel Revere, Washington, D. C.*

To the Honorable the SECRETARY OF THE INTERIOR:

Your memorialists, the twenty-first legislative assembly of the Territory of Arizona, would present that, whereas it is understood that negotiations are pending between the

Department of the Interior and certain parties for the exchange of certain lands owned by the said parties in Coconino County, Ariz., for lands situated outside of said county; and whereas the consummation of said negotiations would result in the withdrawal from said county of Coconino of approximately one-half the taxable property of said county; and whereas the bonded indebtedness of said county, amounting to \$192,500, and of the incorporated town of Flagstaff, amounting to \$95,000, is an equitable lien against the property proposed to be exchanged; and whereas said exchange would practically bankrupt said county of Coconino and said incorporated town of Flagstaff, would jeopardize the rights of the holders of said bonded indebtedness, and would be an irreparable injury to the entire northern part of the Territory of Arizona: Therefore, we respectfully request that your honor refuse to sanction the proposed exchange of the aforesaid lands for lands situated outside the county of Coconino, and the secretary of the Territory is hereby requested to forward a copy of this memorial to the honorable Secretary of the Interior.

(Signed:) Eugene S. Ives, president; P. P. Parker, speaker of the house, indorsed memorial to the Secretary of the Interior.

I hereby certify the within act is a true copy of house memorial No. 1. (Signed:) Curt W. Miller, chief clerk.

Filed in the office of the secretary of the Territory of Arizona this 2d day of February, A. D. 1901, at 11 a. m. (Sealed and signed:) C. H. Akers, secretary of Arizona.

I hereby certify the above to be a true, full copy of house memorial No. 1. (Signed:) Charles H. Akers, secretary of Arizona.

Akers forwards original by mail to-night.

M. J. RIORDAN.

8.15 p. m.

This was passed by the unanimous vote of both houses of the Arizona legislature, included in which are the representatives of the city of Phoenix and the entire Salt River region. So it seems the sentiments I have endeavored to present to your honor this afternoon are not confined to Coconino County, but are general among the representatives of the Territorial legislative assembly. I presume that this should be filed, and I leave it here for that purpose. I thank you for your attention.

Mr. McCOWAN. Mr. Secretary, we are here representing the interests and rights of the citizens of the Salt River Valley. It is not our purpose to utter a single word, here or elsewhere, that would cause a breach between the agriculturists of the Salt River Valley and the stock interests and lumber interests of Coconino.

We understand that there is now existing an agreement between the parties interested in the holdings of realty in the San Francisco Mountains Reserve and your office, whereby an equitable arrangement is made, which, when effected, will bring about the consolidation of this reserve, which is the point in which we are interested. If this is the case, Mr. Secretary, we do not care to enter into any long discussion nor cover ground with which you are already familiar, and it seems to me that by asking a few questions, which would cover the ground, that would bring out the information which you care to have brought out, and that we can conclude this matter in much shorter time than if I were to go ahead and cover the whole ground again—bring out the points with which you are already familiar.

I wish to say, however, that it is no part of our purpose to intensify any feeling that may exist in Arizona between the cattle and sheep men of that Territory. We of the valley are agriculturists. We have no particular interest in the sheep or cattle industries. We care not particularly whether the sheep or the cattle interest is the predominant stock interest in our Territory. All we do want is the preservation of those water rights without which we are helpless and upon which rests our entire civilized fabric in that valley. The basis of all

our wealth is water. I wish to say, in regard to the memorial just read, that Mr. Clark is mistaken in his statement that it was signed unanimously. Objections were made by the Maricopa delegation. I have a telegram to that effect.

Mr. CLARK. May I be permitted just a word, to say that I made it in good faith. I desire to file a telegram from M. J. Riordan, who wired to Mr. Babbitt as follows:

Memorial passed both houses unanimously. Secretary Akers forwards it to-morrow. M. J. Riordan. (Telegram dated Phoenix, Ariz., February 1, 1901.)

Mr. McCOWAN. I know perfectly well that our friend Clark would not make that mistake intentionally, but I have a telegram here from the secretary of our board of trade, Mr. H. M. Chapman, dated Phoenix, Ariz., February 5, in which he says that—

Legislative memorial against solidification of forest reserve was not unanimous as reported. Maricopa members opposed it, of course.

Now, it is not natural, perhaps, that the members of other counties should join with Coconino in this matter. Maricopa County is the only county in the Territory interested particularly in agriculture, and particularly and specially in the solidification of the San Francisco Forest Reserve; that covers our drainage basin; that covers the land upon which the precipitation of rain and snow falls; that flows into the Verde and Salt rivers, from which streams we get the water for irrigation. There is no other county in the Territory except Graham County—the headwaters of the Gila River run along its borders—that is very extensively engaged in agriculture. Yuma is doing a little, but what water she gets comes from the Colorado. It is not at all affected by the San Francisco Mountains Reserve basin.

Now, if the Secretary has any questions to ask, we would prefer that we get at this matter in that way.

The SECRETARY. I would prefer having you make a statement just as Mr. Clark did, because we want to get a full expression here from both interests, and after you make your statement I may ask you a few questions, as I did Mr. Clark:

Mr. McCOWAN. I wish to say, then, Mr. Secretary, that the valley of the Salt River and Maricopa County has within its confines 35,000 people. This 35,000 people represents a trifle more than one-third of all the white people in the Territory. They have, by the exercise of a great deal of industry and the expenditure of a great deal of money, surrounded themselves with many evidences of comfort and wealth. They have built good homes; they have established cities in the valley, one of which, Phoenix, has a population of 12,000 people. They have built some 200 miles of main canals and about 1,400 miles of laterals. This county, as I said, contains not only one-third of the entire white population of the Territory, but it pays almost one-third of the entire taxes of the Territory.

The SECRETARY. Are you going to give me the valuation?

Mr. McCOWAN. Yes, sir; a little further on. Now, we have already expended in the Salt River Valley, in erecting facilities and in the building of canals and ditches for the purpose of taking water from the Salt and Verde rivers and distributing it upon our lands, some \$4,000,000. This represents an outlay by the citizens of Salt River Valley of more than \$30,000,000 in the development of their property, in the building of their homes, all of which, Mr. Secretary, is contingent and based solely and absolutely upon this water.

The SECRETARY. You say \$4,000,000 is the cost of what?

Mr. McCOWAN. The canals. We have plans now under consideration and in course of preparation for further development in the immediate future, which contemplate an expenditure of \$3,000,000 in the building and construction of reservoirs, and in the extension of our canals and ditches. If those plans now under consideration are carried through, there will be expended ultimately in the construction of works to handle the water for the irrigation of the Salt River Valley an amount of money approximating \$10,000,000—if this is done, and we believe it will be—because we are now, and have been for the last nine months, working diligently toward that end. We have attempted to get an enabling act through the present Congress that would grant us the authority to bond ourselves to the extent of two or three million dollars, and we are willing to undertake that great burden of taxation alone and without Federal aid, provided, of course, we can see that our water supply, not only in quantity, but in the matter of other things that will be explained later on, will be kept for us. The foundation, as we have before stated, of all this, however, is water; and, as the quantity in our rivers is limited, and at best not more than sufficient, it goes without saying the sources should be jealously guarded, and nothing should be permitted likely to affect the quantity. So far as storage is concerned, and that is our great question there, it has been proven by estimates taken through the last twelve years, water enough and snow enough fall in our Territory, which, if properly conserved and impounded and properly distributed over the land, would irrigate all or about all of 400,000 acres of available land in that Salt River Valley.

The SECRETARY. How much is irrigated already?

Mr. McCOWAN. Now about 150,000 acres. A few years ago, 200,000 acres; but in recent years, owing to shortness of precipitation of rain and snow, and further, by the rapid run-off caused by the almost absolute destruction of the forest covering—the grasses and vegetation—which covers our basis, which would cause a rapid run-off, we have much less water for irrigating than formerly, consequently we have lost about 50,000 acres, land once covered with alfalfa and orchards, but now abandoned and relinquished to the desert.

The SECRETARY. Have you, in your statement, what the reduction in the supply of water has been from year to year?

Mr. McCOWAN. No, nothing further than that. We know there is that reduction, because we are unable to get the amount of water for our lands we formerly had. Formerly 200,000 acres, we now have barely flow and rain enough for 150,000 acres. Instead of those lands being peopled, they are absolutely deserted again, and those people have left and gone into all the parts of this country, living, terrible witnesses against our valley and its prosperity.

Mr. HERMANN. Mr. McCowan, on that point, as that is a very important question, it has been suggested by Mr. Clark, for instance, it has been demonstrated for the last few years (if Mr. Clark does not state it, others do) that there has been actually a want of precipitation there. And it has not been confined to that country, but all through New Mexico, Arizona, and southern California, not local as to any particular locality, and not due either to grazing or ruin of the forest.

Mr. McCOWAN. We think, Mr. Commissioner, that is true. There has not been as great a precipitation in the last few years as formerly.

We do not think the last few years exhibit quite a normal condition. However, we are just simply stating the facts here.

Mr. HERMANN. Another point particularly emphasized by Mr. Clark, and by others too, that the lower country, the Salt and Verde valleys, etc., are not specifically benefited by any water flow coming from the larger portion of the San Francisco Mountains Forest Reserve, and especially do they claim it is demonstrated that the greater portion of that reserve, commencing at Williams and Flagstaff— all that country occupied by the area surrounding those towns— slopes to the north, and that the water fall is to the north and not to the south, and that the Colorado River and its tributaries receive that flow, and all that drainage is not at all of any benefit or value to the territory below. What do you say about that?

Mr. McCOWAN. I think that is correct, in a great measure. I think, however, that it has been proven, and is open to proof, and at any time, that a certain proportion (we do not know how much) of the water that falls on the north side of the rim of the San Francisco Mountains Forest Reserve finds its way down through the earth, following bed rock, to the south side of that rim, and does reappear in the form of springs. Now, that is evidenced by this fact, that whereas at most times of the year the Little Colorado River, which should receive that run-off from the north side of the reserve, is dry, the springs on the south of that reserve are running and the Salt and Verde rivers have always a constant supply of water. Now that could not be if it were not a fact that the waters falling on the north side of that rim found their way some way to the south side. We are unable, of course, to tell just how much of that water we get, or how great an area of the land on the north side would benefit us by such means.

Now, in view of the contemplated immediate building of storage reservoirs these considerations are pressing upon us for prompt action, and cause our people a great deal of worry and anxiety. We have been aware for a good many years that the quantity of silt coming down the Salt and Verde rivers has been on the increase, and that is due, it is reasonable to suppose, to the fact that the forest covering and the vegetation that covers our drainage basin has been eaten off and destroyed by herds of cattle and flocks of sheep. Now that is a reasonable supposition. How else could it be? The sheep are the hoofed locusts of our mountains. When a band of 2,000 or 3,000 sheep travels over a country they travel as closely as grasshoppers in the days when they were so bad in Kansas, completely eating and destroying every particle of vegetation. The ground, after a band of sheep has passed over, is absolutely bare of all vegetation, and not only is every particle of vegetation eaten and destroyed, but those sharp hoofs have cut into the soil, they have removed pebbles and rocks and stones and logs that have been partially embedded in the mountain sides, and when a storm comes that loose soil finds its way down to the river in the form of silt, and the stones and sticks in the form of *débris*.

Now, we hesitate, Mr. Secretary. It is a very serious matter with us, and we hesitate greatly to burden ourselves with this great debt of two or three million of dollars, that we are really, under right considerations, anxious to take upon ourselves, unless these conditions are such that stock can be excluded from the drainage basin of this reserve at least. We are not asking that stock be excluded from the whole

forest reserve. We are not asking for anything of that kind. The evidence pro and con by the Government experts is in your possession; you have looked over it; you know what it contains; and if it is right that stock at certain seasons of the year be permitted to graze, the people of the Salt River Valley will find no fault. If it is right that they be excluded entirely, then we ask that that be done; but we leave the whole matter in your hands. Our contention, our request, our earnest request, is that the reserve be consolidated so that the Government can exercise the proper kind of restriction and control over it. In its present checker-board condition that is impossible, as you know. But when the solidification takes place it is possible to do so, and then the matter of the total or partial exclusion of stock is left entirely with your office.

The SECRETARY. Just there, a question. Suppose the stock were excluded, where could they go outside? Is there any other place? I think Mr. Clark says there is no other place in Coconino County.

Mr. McCOWAN. I see no reason for Mr. Clark making that statement. It appears to me that it is in the nature of an assumption. There is the Grand Canyon Reserve; that is not in our drainage basin; that consists of about 1,500,000 acres of as good grazing land as there is in Arizona. I have been on horseback and on foot through that whole country in Coconino County.

Mr. HERMANN. We prohibit grazing there. All grazing is prohibited in Grand Canyon now.

Mr. McCOWAN. Well, in that case Coconino County would suffer. There are other portions of the Territory; there is a large portion along Cataract Creek; there are Navajo and Apache counties that are not affected at all by this matter. There is not much south of the San Francisco Mountains Reserve, for the reason that these sheep bands make annual pilgrimages through the south country, eating up and destroying every particle of grass and vegetation in that country, and that, Mr. Secretary, has brought about the contention between the cattlemen and the sheepmen. You know that where a band of sheep has gone there is nothing left for the cattle, and south of this San Francisco Mountains Reserve has been, from time immemorial, the cattle range of Arizona. The sheep in the summer time feed on the mountain sides of central Arizona and on these reserves. In the fall, when the snows begin to fly, those sheep are driven down to the southland, along the mountain rims bordering the Salt River Valley. That has always been the cattle range of the Territory. They are kept there until after the lambing season in the spring, when they are driven back again and find forage on the way, costing the sheepmen nothing. Because the sheepmen have been able to do this thing it has not been necessary for them to invest a single dollar in any kind of property, not even in Coconino County; a great many of them do not own a single dollar's worth of property.

The SECRETARY. How many owners represent the sheep that you refer to?

Mr. CLARK. How many individuals?

The SECRETARY. Yes.

Mr. CLARK. I could not give it accurately, but certainly not less than fifty or seventy-five in our county, at a low estimate.

Mr. McCOWAN. In the San Francisco Mountains Reserve, the tax list shows twenty-two sheep owners. Of these twenty-two, an even

dozen do not own a single dollar's worth of realty, not an acre of range land, nor a town lot. Of the other ten, two of them are the Perrin Brothers, who are willing to make this exchange. That is the trouble; while we do not care anything about these sheep interests, and are perfectly willing that they be controlled just as you wish, with the exception that we do want our water supply preserved to us, because that affects, as I say, the very foundation of our wealth. But, on the other hand, these people are getting their incomes and profits from Government land, nearly all coming from Government lands, without paying a single dollar in compensation. We people in the Salt River Valley have to buy our lands. They cost us from \$50 to \$100 an acre. We have to put on them additional thousands of dollars, in the shape of homes, houses, fencing, cultivation, and buying the water, etc.; while these sheepmen, marauders, interlopers, have not a dollar invested in anything except sheep, and then those sheep are kept in Coconino County, or some northern place, until about taxing time, and are then driven south, to escape taxes in Maricopa or some other county. So in a great many instances they do not pay a single dollar on their sheep either.

In view of the serious fact of the yearly diminution of water, I wish to say right here we are not contending that the precipitation is less by reason of the grazing of stock. We do not believe, like it is reported that Dr. Perrin contends, that the grazing of sheep causes a less degree of water; but it has been proven, I believe, that the destruction of forests tends to decrease and diminish the rainfall. But whether this is true or not, the simple fact remains that, in the Salt River Valley, where we have been paying one-third of the taxes of the Territory, where taxable property amounting to \$10,000,000, and where our opportunities and prosperity depend entirely upon the water supply, we have now got to invest an additional two or three or four million of dollars in the building of reservoirs. And there is no use in our building reservoirs when there is nothing to fill them, and it is a waste of energy and capital to build reservoirs when, in a few years, they may be filled completely with silt and débris brought down by our flows; and we do contend that that silt and débris are made possible by the grazing of stock on that drainage basin.

The SECRETARY. You mean that the silt would be stopped in the reservoir—would remain there and choke it up?

Mr. McCOWAN. Yes, sir. Now, in the first place, we would ask you to bear in mind the comparative value of the interests involved. The tax list for 1899 shows the assessable value in Maricopa County to be nearly \$10,000,000. At least \$8,000,000 of this value has for its basis the water supply of the Salt and Verde rivers, and this property and value, which is absolutely dependent upon water, has a real and intrinsic value of quite \$30,000,000. By that I mean that all the capital that the people have invested individually in their homes and in improvements, in the reclamation of land, in building ditches, and so on—all that is placed in jeopardy.

The SECRETARY. What volume of business does that represent? I mean the products arising from the settlement of the valley. If this was, let us suppose, wiped out, what amount of business would the Territory be stripped of?

Mr. McCOWAN. If all were wiped out, as it stands to-day, the total

destruction of just what assessable property is there would amount to \$30,000,000.

The SECRETARY. I do not mean homesteads, buildings, family residences, etc.; but the settlement there, of which this irrigation idea is the basis, produces certain results, or products, represented by fruits, grains, vegetables, something or other that adds to the mercantile transactions. I might take the locality of Phoenix, for instance. It brings trade, scatters money. Where does that money come from; and who is benefited by it principally, and other aspects?

Mr. McCOWAN. The money comes from the sale of the various products that we raise, and it goes to benefit those people there; but I could not tell you what is the annual amount of that—possibly two or three millions of dollars.

Mr. WOOLF. The volume of business is very large. The valley supplies a very large amount of the beef cattle used in Los Angeles and other southern California cities, in addition to supplying our home market to a very large extent, particularly in the winter and spring months. Now, as an illustration of the volume of business, I will say that in one little dairy in my neighborhood the sales for the last two years have aggregated an average of a little over \$100,000 per annum—one creamery.

The SECRETARY. That is what I want to get at—the products you market, what money you draw back into the valley by reason of the improvements or the occupations resulting from this irrigation.

Mr. WOOLF. I have not prepared it, but we produce grain, hay, and there is a good deal of fruit, but not so much as in comparison with other products.

Mr. McCOWAN. The orange industry is in its infancy. (After a pause.) I could not give the exact statistics.

The SECRETARY. That is what I want to get some idea about. The proper way to consider this thing is the respective commercial interests that are here in friendly antagonism. There are two interests—Coconino County against Maricopa County—and your contention is that Maricopa County is absolutely dependent upon a sufficient supply of water that will keep the industries—agricultural, you class them—in active operation. Now, on the other hand, here we have the question of taxation on indebtedness and the sheep interest, which, of course, is a large one. The wool interests are to be considered also. I want to get into my mind some relative idea of the respective benefits to the Territory of those two separate counties. Of course I can not ask you to give this information if you have not the figures. If you have not the facts and statistics it would be guesswork, I suppose.

Mr. McCOWAN. We might get at it in this way, in a measure. We have now about 150,000 acres under cultivation. About 100,000 acres, possibly a little more, produce alfalfa. That alfalfa is hay, of course, and is sold. In good seasons, when we have plenty of water, we get from three, four, to six crops a year. The alfalfa will produce an average of  $1\frac{1}{2}$  tons to the acre.

The SECRETARY. I do not think it necessary to go into those details with which you are unavoidably not familiar. Here is an investment, on the one hand, which you represent, of \$4,000,000 in canals and irrigation plant, and that, in a way, has also led to the investment in residences, business houses, things of that sort to further millions of dollars, say eight or nine millions of dollars. Now, what I want to get at

is what benefit that investment is to the Territory of Arizona in general volume. Apparently you have not the figures. What is the population of Phoenix?

Mr. McCOWAN. Twelve thousand.

The SECRETARY. Is Phoenix more or less dependent upon this irrigation?

Mr. McCOWAN. Entirely so; entirely dependent.

The SECRETARY. What is the population of Flagstaff?

Mr. McCOWAN. About 1,500, I think.

Mr. CLARK. About 1,800.

Mr. McCOWAN. In the tax lists for 1899 the assessed value of all the sheep in the entire Territory is given at \$900,150. Our taxation was nearly \$10,000,000. So that the total assessable value of the sheep in the whole Territory, according to these best sources of information, is less than 12 per cent of the assessable value of the property in Maricopa County alone.

The SECRETARY. Do you mean the sheep in the whole Territory, or in Maricopa County?

Mr. McCOWAN. In the whole Territory, according to the auditor's report for 1899.

The SECRETARY. Now you see the object of my question of awhile ago. I wanted to know what was the return value, what those investments respectively benefited. That may be the taxed value, but what is the material value to the Territory of one against the other for comparison. You may invest millions of dollars, but those millions of dollars may not produce one-quarter of 1 per cent; they may lie dormant and produce less than a smaller investment in another direction.

Mr. McCOWAN. Our investments in Maricopa give larger returns than those on any other interest in the Territory—almost 10 to 1, except some of the big mining camps.

The SECRETARY. That is the kind of information I want to get.

Mr. McCOWAN. I am sorry I am not able to give you the exact figures. I can not do it now.

Again, that goes to emphasize the fact of the liability of the property covered by irrigation necessities, as it consists almost entirely and is based on the water supply. If the water supply is destroyed, the destruction of this property is total and absolute. It can not be removed to and utilized in any other locality. On the other hand, the removal of the sheep would amount to little or nothing—at most a mere bagatelle. I venture the assertion that the sheep men of Coconino County do not own one-half of 1 per cent of the grazing lands of that county. When a man buys a farm in Maricopa County his investment shows and it costs him something. And, even if they have acquired rights and in lands even within the reserve, we do not ask that those rights be placed in jeopardy; we do not ask that they be ousted or removed, unless they wish to make some exchange. If they have purchased or in any way acquired title to a section or a dozen sections of land within this reserve the people of Maricopa County do not ask that they be removed or in any way molested. They would have rights there just as we have rights in Salt River Valley. But if they do not own any property, or if they own a single section, and are grazing twice or ten times as many sheep or cattle as that section will provide sustenance for, then they are marauders and interlopers; they have no rights there. We contend that it is impos-

sible for us to do those people a wrong who have no rights on their side. We may work them a hardship, but we can not wrong them.

Now, Mr. Clark has assumed that one-half, possibly a little more, of the taxable property will be wiped out by this consolidation. He assumes that the Santa Fe Pacific Road will cease paying taxes upon its property because of this exchange of lands. We can see no reason for this assumption. The railroad will still own over 1,300,000 acres in Coconino County, and when those lands are surveyed they will be taxable. Again, if Arizona becomes a State, and as soon as it becomes a State, you are aware that the Government claims that those lands will be taxable, and then, in the absence of any evidence that the Santa Fe Pacific will refuse or resist the payment of this \$2,500 per mile, we have a right to believe that these taxes will be paid in the future as in the past. Consequently, Coconino County will not be injured to that extent.

The SECRETARY. If you will pardon me, just there, lest I forget it; perhaps Mr. Britton can tell us of the arrangement with reference to the railroad and its payment of taxes to Coconino County.

Mr. BRITTON. The existing arrangement, under which the Santa Fe Pacific Road pays \$2,500 per mile on its roadbed running through Coconino County, has still three years to run. It was a condition of that agreement that its lands should be taxed at 20 cents an acre. There is now a bill pending in Congress to permit the Atchison, Topeka and Santa Fe Road to succeed to the rights of the Santa Fe Pacific, in which the company has voluntarily agreed to increase the amount that it will pay for county taxes.

The SECRETARY. Do you know of the amount they propose to increase?

Mr. BRITTON. Four thousand dollars.

The SECRETARY. At the rate of \$4,000 per mile?

Mr. BRITTON. Yes, sir; if, however, that legislation should not be enacted there is no danger that the company would refuse to pay Coconino County under the present agreement for three years to come, because the same agreement is made with all the other counties of Arizona through which the road runs, and the consideration of holding lands taxable at 20 cents an acre will continue to exist in the future as it has in the past in all those other counties and in Coconino County as well as to the 1,300,000 acres of land which the company owns in that county outside the proposed limits of this reservation.

The SECRETARY. I asked that question because Delegate Wilson was here the other day and gave me an intimation that something of that kind was going on. He said there was something now before Congress by which, if there were a loss in solidifying this reservation, that it would be made good on, at all events, some account there.

Mr. BRITTON. The Santa Fe Pacific is working in harmony with the Delegate from Arizona, and it has further expressed its willingness to stand any increased proportion of taxation necessary in Coconino County upon its roadbed and remaining lands, to bear its proportion of any increased taxation on the remaining lands in that county, upon the 1,300,000 acres of land which it still holds outside this reservation (and it is still the largest owner in the county), and if by reason of this reservation the rate of taxation will be increased, the railroad company itself will be the heaviest sufferer.

Mr. McCOWAN. Mr. Clark claims, also, that this consolidation

would mean the complete shutting down of the lumber interests of Coconino County. It appears to me that this is also an assumption, not a fact. The Arizona company, located at Flagstaff, has rights now to timber lands, and has made contracts with the railroad for additional acreage, that will keep them running constantly in the future, as now, for the next twenty or twenty-five years.

The SECRETARY. Where are those timber lands?

Mr. McCOWAN. In this reserve. They own part of them, and other parts they have bought or leased from the railroads. This, I understand, can not be affected by this exchange.

Mr. HERMANN. I understood, according to our agreement, all the large holdings were to be relinquished under this exchange?

Mr. McCOWAN. This is in the Black Mesa Reserve.

The SECRETARY. I do not understand that there was anything left out in the San Francisco Mountains Reserve.

Mr. McCOWAN. I was told by Mr. Riordan, one of the partners in this Flagstaff Lumber Company, that such was the case; that they had holdings there now to keep them running for twenty years or more.

Mr. HERMANN. Do they claim they purchased from the Santa Fe Pacific Railroad Company?

Mr. McCOWAN. Part of it, and part of it from homesteaders.

Mr. HERMANN. Now owning in the reserves?

Mr. McCOWAN. Yes, sir.

Mr. BRITTON. We have given a list to the Secretary of every party who has purchased lands from the railroad company within the reservation.

Mr. McCOWAN. I know, some eight or ten years ago, they ran in a lot of men and had them homestead a lot of timber in that county, and then they bought their relinquishments. The Saginaw and Manistee Lumber Company, located at Williams, has property invested in its plant and railroad and other holdings there to the amount of between \$500,000 and \$600,000. They have lands, I believe, that will be affected by this consolidation, and which they have agreed to take lieu lands for, numbering something more than 100,000 acres. Now, it is not reasonable to suppose that they can exchange that land for more valuable land elsewhere south of the Tehachapi Pass and make as much as they will lose by the shutting down of that mill and the sacrifice of that plant. It is not reasonable to suppose that they will exchange their holdings there for property that they can not possibly obtain more than \$300,000 or \$400,000 for, thereby losing a good paying business and sacrificing a plant, losing thereby from \$100,000 to \$200,000.

Mr. HERMANN. This lumber company will not be required to select any lands for their timber lands south of the Tehachapi Pass. They can select them anywhere in the United States.

Mr. McCOWAN. Then, Mr. Commissioner, is it possible for them to select lands that will bring them more than \$3 or \$4 an acre?

Mr. HERMANN. Of course you are a better judge of that. I do not want to pass on that.

Mr. McCOWAN. If it is possible to exchange their holdings for land that would sell in the market for considerably more than the cost of their plant, I then would think that Mr. Clark's statement to the effect

that that mill would shut down and they would lose all the income now derived from the workings of that plant was reasonable.

The SECRETARY. Gentlemen, it is nearly half-past 5. If agreeable to you all, I would like another meeting to-morrow afternoon at 3 o'clock.

Mr. McCOWAN. I just desire now to emphasize the fact that we do not wish in any way to injure Coconino County's interests, assets, or resources. We do not wish to see her harshly treated, and we would recommend, if that recommendation would have any effect, that such legislation be brought about as would give Coconino County the stumpage of the timber cut on that forest reserve. We understand that it is a good thing that matured trees be cut from forest reserves — a good thing for the balance of the forest.

The SECRETARY. At first thought I do not think that suggestion a good one. It would establish a precedent all over the country for every village adjacent to a forest reserve.

Mr. CLARK. I wish to say that we would like to be heard for just a few minutes to-morrow, or at your convenience, in reference to the statements of Mr. McCowan.

The SECRETARY. I thought you would; and it may occur to me to ask questions of both you gentlemen.

And then, at 5.25 p. m., the meeting adjourned until 3 o'clock to-morrow afternoon, February 7, 1901.

DEPARTMENT OF THE INTERIOR,  
*Washington, February 7, 1901.*

The conference reassembled at 3.10 o'clock p. m.

The SECRETARY. Gentlemen, we will resume. Do you wish to say something further, Mr. McCowan?

Mr. McCOWAN. Mr. Secretary, you were desirous yesterday of obtaining the productive values of the Salt River Valley, with a view of ascertaining the relative losses that might accrue if our water supply should be diminished or absolutely done away with. From the reports of the governor of the Territory, and from an address prepared and delivered by our Delegate, Mr. Wilson, before the Committee on Territories, and, from our own knowledge, we have compiled here a statement. Now, this is not absolutely reliable. We can not swear to it. I wired yesterday to our board of trade for additional information, but have received no reply as yet. I might read this, however:

Our yearly sales, production of fruits and nuts, the orange industry, now in its infancy; the production of grapes, peaches, apricots, pears, strawberries, and all such fruits, together with almonds, which is our chief nut crop; the sales of these amount to \$500,000. The fruit industry is in its infancy. Grains, amounting to \$1,000,000; such as wheat, barley, and oats. Hay, \$1,000,000. Stock, cattle, and horses—Delegate Wilson's estimate of the sales and shipments of cattle and horses amounts to almost \$2,000,000; but we have added very little to that and took in all the shipments; as well as the cattle consumed at home.

His estimate was \$1,800,000; our estimate for the whole product is \$2,000,000.

Hogs, \$100,000; sheep and wool, \$300,000.

Now, the way we account for that, Mr. Secretary, is this: The sheep men in the northern part of the Territory bring their sheep to the southern part, along the mountain's border, our Salt River Valley, down in our valley, where they can get feed to tide them through the

winter months until after the lambing season. They do their shearing down there and ship their wool product from Phoenix.

The SECRETARY. I suppose that it would be fair to sort of divide that item in half, in view of the fact that part of the year they graze in one place and part of the year in another, so that the product is not really to be credited to any particular one locality.

Mr. McCOWAN. I am just giving you the product shipped from our own town of Phoenix.

The SECRETARY. You see what I mean. It may be shipped from your town, but be the production of somewhere else.

Mr. McCOWAN. Yes; that is true. However, part of the year the sheep will graze in the north. They are brought down when the cold weather comes on the 1st of December and kept there until after the lambing season.

Honey, \$100,000; butter and cheese, \$100,000; poultry and eggs, \$100,000; making, in all, \$4,300,000. [Note: Amounts to \$5,200,000.]

Now, it seems impossible for us to give the volume of business done there in our town or in the valley or the amount of money paid for labor; and this estimate also, Mr. Secretary, is inadequate for this reason: Because it represents the products that exist now, that are produced upon our lands now, not taking into consideration at all what might be done if our water supply be increased, which we are making arrangements to increase.

Our people are ready, as I stated yesterday, to bond themselves to almost any extent for the purpose of securing funds for the construction of storage reservoirs. We want those reservoirs, however, for the storage of water and not for the storage of silt. For that reason, Mr. Secretary, we are anxious that our water should be maintained as it is now proposed to maintain it; that that forest reserve be consolidated, so that the Government can exercise the proper control over it. Our people will not expend a dollar, they will not vote to bond themselves for a single dollar to build reservoirs, unless this is done. And, Mr. Secretary, as a representative of the Government, you would not recommend to Congress, provided we have Federal aid, and provided that the Newlands bill, which we heard discussed this morning, passed Congress, and appropriation was made for the building of a reservoir, if that matter was brought to you or to the Land Commissioner, or to the Agricultural Department, or the Geological Survey—I venture the assertion that not one of you would recommend to Congress an appropriation for the building of that reservoir unless that drainage basin in the San Francisco Forest Reserve was consolidated and under the Government's control. If you would not do so, it is not natural to suppose that our people would care to burden themselves to the extent of \$3,000,000 or \$4,000,000 for the building of a silt reservoir.

The SECRETARY. In that connection, do you know anything about what the diminution has been on account of the changed conditions (cutting timber, etc., and grazing) in the water supply in that valley of the rivers Verde and Salt?

Mr. McCOWAN. We have not that in figures, Mr. Secretary. We do know this, that whereas five years ago we were irrigating more than 200,000 acres of land in our valley alone, to-day we have not sufficient water for 150,000 acres. That fact is evident.

The SECRETARY. You stated that yesterday; but I recall when Governor Murphy was here he gave percentages of the diminution based upon actual measurement. I did not know but what you had brought that with you.

Mr. McCOWAN. I have no such estimates. I do not think, Mr. Secretary, that that data would be reliable anyway, for this reason: I want to be perfectly frank and honest; I do not want to say or do anything to injure our neighbors on the north, where it can be helped and preserve our own rights. The last two or three years, as our friends from Coconino County stated, and as I stated yesterday, have not been normal. There has been a condition of drought; there has not been such a degree of precipitation in the last two or three years as we used to be able to count on. That drought area is not confined to Arizona alone. It has extended all over the coast. So I think that any such data as that would not be absolutely reliable. And that is not our contention so much as the simple fact that the eating away of all the vegetation on our drainage basin, the destruction of the forests there and the mountain vegetation, will cause a condition that, when the rains come, will bring silt and débris of all kinds down the mountain sides in torrents and fill up any reservoir we might build, and also fill up and destroy irrigating ditches.

In connection with this, whereas now we have under irrigation 150,000 acres of land, the Salt River Valley contains 400,000 acres of land as fertile as any the sun ever shone on; consequently, if we obtain sufficient water, we are capable of expansion and growth to that extent. Instead of 150,000 acres we can cultivate and develop 400,000; and whereas these figures would represent our annual productive values to-day, if we had 400,000 acres, and water enough to cause every acre of land to do its full duty, our increase in productive values would amount to \$25,000,000 or \$30,000,000.

Now, that is not being done; with our 150,000 acres last year, instead of the usual four to six crops of hay per year, we obtained one crop. On the other hand, Coconino's resources depend almost entirely upon her lumber industry and her stock industry. The number of sheep and cattle and horses on her range to-day are more than that land can properly care for. The stock in Coconino County, or any other grazing county in the Territory, are not in fine condition. In other words, the grazing lands are overcrowded. It is impossible to further develop that industry. It has reached its limit. They can not put on any more sheep or cattle or horses. What they are to-day they must necessarily be ten or twenty years hence. In all probability, owing to the present conditions as you know them, the lumber industry can not be increased; consequently Coconino's resources are now, as I said before, just as they can be twenty or one hundred years hence, possibly greater to-day than then. She can not be further developed; while Maricopa County, instead of having 150,000 acres under cultivation, as to-day, can be expanded by the proper conservation of water, and its proper distribution by the extension and enlargement of our irrigating facilities can be made to develop into 400,000 acres that are there to-day ready for water in the Salt River Valley. Consequently, in comparing the results that would be due to the two different counties, Coconino and Maricopa, there must be taken into consideration not only present conditions and the present productive values, but what each county is capable

of doing and the extent to which each is capable of developing in the future.

The SECRETARY. Is there any other source of water supply or watershed that this supply of water can be obtained from except from this reserve?

Mr. McCOWAN. Absolutely none. Our entire water supply must come from the Salt and Verde rivers, and those rivers are fed from the watersheds covered by this reserve and by the Black Mesa Reserve. The Grand Canyon Reserve does not interest us in the least. We care nothing at all about that. It does seem to me that might be thrown open to grazing without injuring a single solitary soul anywhere. We care nothing about that reserve. We are vitally interested in the preservation of that watershed of ours.

The SECRETARY. You mean by that the inhabitants of that valley—that is, the farmers, the merchants, the bankers, and everybody who is identified with the commercial interests of that valley?

How about with respect to the different water companies? How are they organized? I received a telegram dated January 24, as follows:

On behalf of the people of Maricopa County we beg to express our grateful appreciation of your action in solidifying the San Francisco Mountain Forest Reserve, which is the only means by which it is possible to conserve the water supply of the Salt and Verde rivers.

J. A. Marshall, board of supervisors, Maricopa County; J. W. Evans, president Phoenix Board of Trade; B. A. Fowler, chairman Water Storage Committee; W. J. Murphy, president Salt River Valley Water Supply Protective Association; Tempe Canal, by J. W. Woolf, president; Grand Canal Company, by Thos. W. Pemberton, president; Maricopa Canal Company, by Wm. Christy, director; Arizona Water Company, by Wm. B. Cleary, general manager; Salt River Valley Canal Company, by Wm. Christy, director; The Consolidated Canal Company, by A. J. Chandler, president; San Francisco Canal, by Dwight B. Heard; Treasurer Bartlett, Heard Land and Canal Company. Maricopa County mass meeting January 24, 1901, Winfield Scott, chairman.

What I want to get at is this: Of course I assume that the signers of this telegram do represent the different companies mentioned. Is there any such thing down there as combination or monopoly, or anything of that sort?

Mr. McCOWAN. No, indeed; anything but that. The canal companies are in continual controversy. Is not that true, Dr. Chandler?

Dr. CHANDLER. The canal companies to a very great extent are cooperative companies owned by the farmers themselves.

The SECRETARY. Who are interested in these different companies?

Dr. CHANDLER. The canal companies operate for the purpose of distributing water. That water is delivered, under contract, to the farmers. Then there is another system of canal companies there that are cooperative—that are owned by the farmers themselves. Either of these are particularly interested, of course, in our water supply. The canal companies belonging to the corporations and the cooperative canal companies belonging to the people who own their own lands all alike are interested in the protection of the water supply.

The SECRETARY. What proportion of the residents of the valley are interested in these different companies—a thousand, five hundred, in round numbers?

Dr. CHANDLER. All the farming element outside of Phoenix.

The SECRETARY. How many would that probably be?

Dr. CHANDLER. Phoenix has about 12,000, Tempe has about 1,200, I think; and Mesa, another town, about 800; the country population would be pretty nearly the balance, close to 20,000 people.

The SECRETARY. That is to say, about 20,000 people who live outside of the towns and villages are interested as agriculturalists in the maintenance of this water supply?

Dr. CHANDLER. Of course, a great many people in town are interested in irrigation; they have orange groves, orchards, etc.

The SECRETARY. Live in the towns but have interests out in the country?

Dr. CHANDLER. Yes, sir.

Mr. McCOWAN. I think, Mr. Secretary, I have covered the ground. I am ready to answer any questions that you might see fit to ask.

The SECRETARY. Can you tell me something about the cost or expense of maintaining municipal and county governments in Maricopa County—about the per capita cost? I do not mean the tax, I mean the cost of maintaining the government.

Mr. McCOWAN. No sir; I had the auditor's report in my office. I could get that and give you the county. It does not take up the municipality. It would necessarily, of course, be larger than that of Flagstaff because Phoenix is a much larger place.

The SECRETARY. Now, I asked the question on a per capita basis.

Mr. McCOWAN. It would be much less per capita. I do not want to say anything about our friends in the north, but we are not so turbulent as they are up there. It does not cost about one-third of the taxation to keep up the sheriff's office. I could not tell you the exact figures.

The SECRETARY. Has any other gentleman on the side of Maricopa County anything to say?

Mr. BRITTON. Mr. Secretary, I hardly represent the interests of Maricopa County, nor had I expected to say anything at this hearing; but, as representing the Santa Fe Pacific Railroad, and some of the grantee's own lands within the reservation, I have made a few notes on a line which I think might aid in the solution of the present question.

I had not believed that the propriety or necessity for creating this reservation would be the subject of discussions as that has been gone over so fully and often before, and is so well understood by you as to really not need further discussion. I had assumed that the question was the material injury, if any, which would result to the Coconino County by reason of the creation of this reservation. And in that belief I thought that these people would recognize that the Secretary of the Interior must look upon this subject in a broader way than by county lines and dispose of the question so that he could do the greatest good to the greatest number and the least injury to the fewest. Now, that is the way in which the Santa Fe Pacific road has undertaken in the past to view this question. That company owns more than anyone represented here in that particular section. It is interested to a far greater extent in the material development and progress of that community. It has no desire to run its road through a tunnel flanked on either side by reserved lands, nor to go through abandoned towns and villages without industry. Nothing would please it more than to have the community a thriving one, including the sheep industry and the lumber industry, and therefore

it is not fair to assume, nor for these protestants to state, that the object of the Santa Fe Pacific Company is a purely selfish one in advocating the reservation in question. It has had impressed upon it for many months the absolute necessity of preserving the watershed of the Verde and Salt rivers, and the almost certain destruction of the large investments and prosperous communities in the Salt River Valley. With the desire to aid those people it has consented to give up its holding within this reservation, to relinquish its title to its future supply of timber, to forego all its anticipated profits from a practical monopoly of the timber lands in the Southwest, and reports before this Department will demonstrate that this company proposes to release to the United States as valuable a tract of timber land as exists anywhere in this country.

Now, it is, therefore, I say, unjust for anyone to assume that a company as large as the Santa Fe Pacific, with as great interests as it has in this particular section, would willingly advocate the inclusion of these lands in a reservation unless it believed that by such inclusion the particular section of country through which that road runs is to be materially helped and benefited. It certainly has no desire to destroy the interests of Coconino County, but it has looked upon the question as one of relative advantages and disadvantages, and, comparing them, has believed that the advantages to be gained by the people of the Salt River Valley so far outweigh any possible injury that can result to Coconino County as to render the question one unworthy of consideration.

Now, in the figures submitted by the protestants to you they have given the acreage of lands which it is proposed to release to the United States within this reservation. They have not stated that in Coconino County there are 11,635,000 acres of land, of which only 1,762,000 will lie within this reservation. They have furthermore deducted the entire acreage of lands in the exterior limits of the reserve, whilst, as a matter of fact, practically all the taxpayers in Coconino County are located on land acquired from the Government, which will not be affected by this reservation nor released to the United States. If these people possess more stock than they can graze upon the lands owned by them they are trespassers, and their rights as trespassers should entitle them to no consideration. Aside from this, however, the county should not claim the elimination of more than a proportion of taxes the forest reserve would bear to the entire acreage of the county, and which would be a valuation of one-twelfth the amount stated, and not the entire amount, as they have given in their protest.

These protestants further state \$485,950 as the valuation of cattle, stock, and sheep as being lost by the reason of the creation of this reserve. This figure represents the total valuation of all the horses, sheep, and cattle in Coconino County. It should be reasonably figured only as the area of the reservation bears to the area of the county; and, if so, the figure, \$485,950, given would be reduced to \$65,700. In other words, the \$485,950 mentioned in the protest is the total valuation of all the cattle, sheep, and horses in Coconino County, and by giving that figure it must be upon the theory that the creation of this reserve will absolutely destroy every horse, cattle, and sheep in Coconino County, although there will be over 9,000,000

acres of land left in that county upon which these horses, cattle, and sheep may graze.

The protestants further state that the two Perrins and the Saginaw Lumber Company have 369,965 acres of land which they will release in this reservation, while the fact is that said parties have only 266,000 acres in the reservation, the balance being outside the limits of this reservation, and continued undoubtedly in the ownership of the parties named. This, of course, would reduce the valuation mentioned in the protest to less than \$70,000.

The next item mentioned by the protestants is the Santa Fe Pacific right of way, which is given as \$283,649.98. This is based upon the entire mileage of said road in Coconino County: while, as a matter of fact, there are only 54 miles of road in the forest reservation, which, at \$2,500 per mile, would amount to \$81,000 instead of \$283,649.98. Really no part of this should be considered, because there is no reasonable fear that the Santa Fe Pacific road will cease carrying out its contract with the Territorial authorities by the payment of the proper assessment at \$2,500 per mile throughout its entire length of the Territory.

Almost every figure given by the protestant is incorrect, and apparently described as giving a theoretical loss by the total destruction of every industry in that county, by the total exclusion of every sheep, cattle, or horse, and by the total elimination of an existing railroad, and of lumber mills, and all the various personal properties that are owned by the people in connection therewith. If these items are reduced and brought down to a proper basis it would appear that the item for cattle, horses, and sheep should be reduced to \$657, that the Perrins and Saginaw Lumber companies' land should be reduced to 266,000 acres. I did not figure the tax on that, because I did not know exactly what it was; but it would be one-third off of \$116,857 [after a pause] less than \$80,000. The Santa Fe Pacific right of way should be eliminated altogether, or at most, should be reduced to \$81,000. These items so corrected would make at the most less than \$250,000, as the valuation of property to be affected by this reservation, and that is the valuation figured out at the rate of \$3.82, as it would represent the taxable income of Coconino County.

Now, as a matter of fact, the lumber interest will remain. The railroad company will continue to run its road, and will still own, outside of this reservation, 1,300,000 acres of land. The Perrin Brothers, the Saginaw Lumber Company, the Aztec Land and Cattle Company will each of them own over 100,000 acres of taxable land in Coconino County, outside of this reservation; and, if any increase of the burden of taxation is caused by the creation of this reserve, it will fall most heavily upon the very people who have been advocating the reservation, and are willing to release their lands in order that the Government may have a substantial, solid, practical reserve.

The SECRETARY. How will it fall more heavily upon them?

Mr. BRITTON. Because they own a large part of the remaining taxable property within the county, which would pay its increased rate. Now, Mr. Secretary, I am not here to say one word as to the urgent needs of the people of Salt River Valley. Their needs have been stated to you many times, and they are undoubtedly fully understood. The Santa Fe Pacific road is, as I have said, more

deeply interested in this question, and particularly in Coconino County, than any one represented here. They have given this matter full consideration. They believe that as a matter of fact Coconino County is to be benefited by this reserve; that if properly carried it will result in the exclusion of sheep therefrom, and that the increased industry in the cattle trade will more than offset any possible loss that could possibly result from the sheep industry. They believe that if the sheep men are desirous of so doing, they have plenty of lands left in Coconino County upon which they can graze. I am not advised that the Grand Cañon Reserve has ever been closed to the grazing of sheep and cattle. I am advised, however, that there are 2,000,000 acres of land adjacent to the Colorado River which are suitable for grazing purposes, and upon which these people can go if they so desire. They, however, represent the men, who, without owning a dollar in property, many of them not paying one cent of taxes upon the sheep they own, have continued to trespass upon the public lands of the United States, and private lands as well, and who now, when they see this opportunity slipping away from them, undoubtedly protest against the same. These people will not be affected one way or the other by the creation of this reserve, provided the United States adopts the policy of forbidding sheep grazing within the limits of the present reservation.

It is within the power of this Department, as the reservation exists to-day, to forbid the grazing of sheep therein upon the Government sections. If that were done, as it undoubtedly ought to be done, these people would be just exactly about as they would be if every acre now in the reservation were owned by the United States, and their sheep excluded therefrom.

I received to-day a communication from Mr. Kenna, who has given this matter very deep and earnest consideration, and, if it is not a trespass upon your time, I will read that portion of it in which he says:

The complaint of the protestants is, first, that the municipalities will suffer a loss of business occasioned by the enforced removal of sheep that now graze within the county; second, that the municipalities will suffer a loss of business incident to a reduction in the manufacture of lumber; and, third, that the municipalities will suffer a loss of revenue due (*a*) to the removal of the sheep; (*b*) to a diminution of the lumber industry, and (*c*) to a reduction in the acreage of land subject to taxation.

The owners of the sheep in question are trespassers upon public and private lands. They have no rights that will be interfered with, and their demands are that the Government recognize past and existing trespasses as affording sufficient reasons why future trespasses should be allowed as a matter of right. Such owners would not be heard in any court of law or of equity. Much less should persons be heard to complain whose interest is only indirect. It has never hitherto been seriously suggested in any proceeding before a judicial tribunal that a continuation of trespasses or violations of law should be tolerated in order that some business dependent thereon for success may not be unfavorably affected. On the other hand, if grazing within the reservation is to be permitted, then this complaint of the protestants is fully answered.

It is a matter of fact, susceptible of proof, that the lumber interest will not be interfered with. Therefore only the question of revenue remains to be seriously considered. If the sheep are to be allowed within the reservation, then their removal will not affect the revenue. If they are not to be allowed therein, then it must be assumed that they would have been removed in any event. Therefore in no way will the revenue be affected by the proposed proclamation, as the sheep will be either excluded or permitted to remain because of some rule of the Government, which presumably will be made regardless of whether the exterior limits are extended so as to include the odd-numbered sections. In this connection it is significant that the claim for the right to graze sheep within the reservation is not presented by the only persons who can lawfully do this—*viz*, the owners of the odd-numbered sections—but by persons who could not be given the right to graze upon Government land under any existing law or rule, and who have not obtained it from the owners of the land.

As the lumber industry is to remain as at present, and, indeed, as it is expected that such industry will increase in importance, it is certain that the revenues heretofore derived from this source will not be diminished, and will probably be increased. The only possible reduction in tax revenue, therefore, is the small amount that will result as a consequence of a release to the Government of the odd-numbered sections within the reservation, and it is in the power of the Government to offset this many times by ordering a survey of those lands remaining in the county and owned by the railroad company. Moreover, as it is reasonably certain that Arizona will be admitted to the Union as a State within a short time, it is also certain that our entire property will become subject to taxation. On either of the accounts just named the assessed valuation of the counties is sure to be increased ultimately, if not immediately. In the meantime the railroad company remains the owner of many lands subject to taxation and of much personal property, and will be more seriously affected than any other taxpayer by any increase in the tax rate that may temporarily follow. Its failure to complain ought to be conclusive proof that there is no serious danger of the taxpayers being required to carry an unreasonable burden after the proclamation is issued, for if such was the case the railroad company, which can not remove or dispose of its property of greatest value, would be the first to oppose the proposed proclamation. No inducements offered it in order to effect the present exchange could possibly outweigh the disadvantages of a burdensome tax that will continue forever.

The contention that there is danger the bondholders may not receive their interest and principal is puerile. There will remain within the county a sufficient amount of property to protect the bondholders—indeed, the railroad that will remain there is a guaranty for their full protection. There are many municipalities in Kansas having large bonded indebtedness where substantially the only property remaining is that of our company, and we know to our sorrow in such cases that ultimately the company must pay the entire principal and interest of such indebtedness.

Yours, very truly,

E. D. KENNA.

Now, in conclusion, I would only say that I believe, in the hasty preparation, this protest has exaggerated the possible injuries that might result to Coconino County; that a fair and reasonable estimate of any possible injuries that could result would mean less than \$4,000 a year to the county, and that could be more than offset at any time if the people of Coconino County would only get together and have the lands therein surveyed and made subject to taxation—if they would permit the owners of sheep to acquire title to some lands to graze their sheep upon instead of grazing them upon other people's lands, and otherwise change the vast area that remains in Coconino County outside of the reservation into a taxable condition. But, at most, the injury, it is suggested, is so infinitesimal in comparison to the advantages and benefits that are to result to the Territory generally—that are to result from this reservation—that they ought not to be permitted to delay or embarrass the Department in carrying out the enlarged-reservation idea.

Now, if I have been at all mistaken in my assumption as to the error in these figures, I would be very glad to be corrected by Mr. Clark, who is undoubtedly fully familiar with the reasons why they were made as they are in this protest.

The SECRETARY. Do the gentlemen from Maricopa County want to say anything? [After a pause.] Now, Mr. Clark, I would be glad to hear you.

Mr. CLARK. Mr. Secretary, I will, with your kind permission, devote a few moments to a discussion of the statement just made by Mr. Britton reflecting upon the correctness of the figures set forth in the protest of the people of Coconino County. I will say, first, however, that I am unable to perceive any reason, unless the railroad corporations of this country have suddenly acquired a philanthropy hitherto a stranger to them, why the Santa Fe Pacific Railroad Company should be so urgent and so persistent, even to the extent of interposing its

argument into a special hearing afforded the citizens of Coconino County—I can not understand——

The SECRETARY. Allow me to explain, just there, Mr. Clark, that the Santa Fe Pacific road is certainly one of the parties in interest in this controversy. They represent a very large amount of interest in the proposed property that is to be released for the purpose of solidification, and I do not exactly understand or appreciate your idea, if I understand you correctly, which is that they should have been excluded from this hearing.

Mr. CLARK. I do not maintain that, Mr. Secretary; I had not quite finished. Unless it is on the single ground that they are here as you, Mr. Secretary, fully agree with me, most deeply interested in the result. Now, it has been said by Mr. Britton that our figures here are inaccurate. So far as the acreage he attributes to the Saginaw and Manistee Lumber Company and E. B. Perrin is concerned, I am not able, from my investigation, to say that Mr. Britton may not be right to the extent of a few acres of a few thousand acres in that one item. I do know, however, that the Saginaw and Manistee Lumber Company alone purchased from the Arizona Land and Cattle Company, a grantee of the Atlantic and Pacific Railroad Company, 120,000 acres of land alone. I am led to believe, from the statements of those who compiled the statement—and I know them all to have been careful and conscientious men—that more than the remaining part of acres attributed here, and said here to be owned by the Perrins, are in fact owned by them within the limits of this reserve. So far as the cattle, horses, and sheep ranged on said reserve are concerned, Mr. Britton has seen fit to say that these figures include all the sheep, cattle, and horses in the county. Mr. Britton is right. As I stated to you, Mr. Secretary, yesterday, there are no grazing lands within the county of Coconino of any consequence, outside of these reserves, upon which stock is now grazed, and there is no stock in Coconino County to-day of any consequence whatever, excepting range stock. Now, if it is true that the exclusion of all range stock will follow the consolidation of this reserve, as I assume from the remark made yesterday by the honorable Commissioner of the General Land Office, it follows as surely as the night follows the day that all of the stock in Coconino County will be lost to its assessment rolls, because there are no other lands in that county—absolutely none—upon which they may be grazed. The gentleman from Maricopa County and Mr. Britton contradict each other in this respect, and the gentleman from Maricopa County even, I think, contradicted himself. He stated yesterday, in response to an inquiry from you as to where this stock might be taken if excluded, that it could be taken to the Grand Canyon Forest Reserve. I wish to say to you that, not only at this time but for years past, every foot of the Grand Canyon Forest Reserve has been contested for by stockmen—American stockmen—and when they were not disputing as to their rights and extent in there they were disputing with the Navajos as to every important part of it.

May I call your attention, Mr. Secretary, to this map for a moment, to show you the condition of Coconino County as it is to-day? (Indicating on the map.) This heavy line in red represents the exterior boundaries of Coconino County. Here is a line showing a recent addition to the Navaho Indian Reservation, made by Executive order of January 8, 1900. Adjacent to that is the Grand Canyon Forest Res-

ervation, containing over a million acres. In the far western corner is a very large acreage included in the Hualapai Indian Reservation. Next we have, taking in the best part of the county, the San Francisco Mountains Reserve, and from thence on to the southeastern corner of the county, the Black Mesa Forest Reserve.

Now, the character of this little wide remnant of land in here and up there is that of land which is absolutely worthless. These lands have been selected for these Indians and for these forest reservations because of their desirability, and because they bear upon their face something of value to mankind. The little remnant, the useless, worthless remnant left, the gentleman who represents the Santa Fe Pacific Railway Company points to as security for the payment of our public obligations. Why, I say to you in all sincerity, Mr. Secretary, that those lands can not be now sold at the rate of 10 cents per acre, and no one knows it better than the gentlemen who listen, representing Maricopa County and the railroad.

Mr. McCOWAN. Stock are not excluded from Hualapai Reservation.

Mr. CLARK. Stock are excluded from any Indian reservation, if the law be followed. There is no Indian reservation upon which stock may be lawfully grazed by an American.

Mr. McCOWAN. I know positively they are not excluded.

Mr. CLARK. That may be, but they are trespassers.

Mr. McCOWAN. But they are on the San Francisco Mountains Reserves.

Mr. CLARK. It was said by Mr. McCowan, who has kindly interrupted me with a question, and by Mr. Britton, that these men who have been the pioneers of the West and have made it possible for civilization to follow in their tracks—these men who own little bands of sheep and cattle here and there—are trespassers, because, forsooth, they go where the Government has told them that they might go without let or hindrance; and Uncle Sam has held forth that invitation for many years to the man who owned the band of sheep as truly as he did to the pioneer who came with the hoe, for each of whom I have the highest admiration. The Supreme Court of the United States in case of *Buford v. Houtz*, in 133 U. S. Reports, at page 320, a decision which I would like to refer to if in this office, decided in a case taken up from the State, then the Territory, of Utah, involving the right to graze upon alternate odd-numbered sections of land in a land grant exactly like this, decided that the sheep men or the cattlemen, as the case might be, had the absolute right, as long as those areas remained unfenced, not only to graze their herds upon the even-numbered sections within the limits of the grant, but as well upon odd-numbered sections, and that there was no law and no policy of the United States Government which said to them “nay,” and, in verification of this, I know Mr. Britton will agree with me, because he is familiar with the case.

Mr. BRITTON. Not at all; simply because the lands there referred to were not reserved by the United States for any purpose, but open to disposition under the general law.

Mr. CLARK. I answer in this way. It is impossible that they should be trespassers there now, unless an order has been recently issued excluding them, for the very reason that every year, except the first, since the creation of these reserves, each and every one of these sheep

owners have been required to file a written permit with the Commissioner of the General Land Office, who sits here, asking for the privilege of grazing their sheep within the limits of this reserve. While I know of no written permits having been issued, not in a single case, I do know an implied assent has been given for each of the years during the life of that reserve up to the present time. Therefore, how can either of the gentlemen be heard to say, or to cast upon these men the aspersion that they are trespassers? I do not come here, Mr. Secretary, to disparage any resident of the Salt River Valley, however humble he may be. I have no desire to disparage its interests or to cry down the glory of its future, which has been so glowingly painted by Mr. McCowan, but I do wish to say, in honest resentment of his statement, that Coconino County has reached the limit of her development, that in a hundred years from now it would be where it is to-day; that he sadly misunderstands the character of the loyal, rugged, and pushing American citizens who have settled in northern Arizona. He offers them, as I believe, a gratuitous insult when he says that they have fallen into a state of decay and decline whence centuries will not remove them. If Coconino's progress be not checked by some such lightning stroke as the consolidation of this reserve, and its consequent calamities, I undertake to say to the honorable Secretary that no portion of Arizona within the next decade will show more improvement, will show more of the building up of homes and schools, the development of the country and the spread of agriculture, and the uplifting of the entire community, than Coconino County.

I think I have sufficiently answered his reference as to the value of the stock.

The SECRETARY. Of that 420,000, or whatever is the number of sheep there, who are the owners of these sheep?

Mr. CLARK. Well, sir, I will give you the names of such owners as we were able to recall last evening after leaving here, and that will serve as an answer to the assertion of Mr. McCowan that only twenty-two were on the assessment roll, and only eight outside of the Perrin Brothers were taxpayers. I have the names of forty-eight which we were able to recall simply from memory. We are all residents of the county, and all but one live in the county seat, but Mr. Phelan, who lives in Williams and is chairman of the board of supervisors and has intimate acquaintance with the records and affairs of the county. There are forty-eight on this list, and each and every one of those is on the assessment rolls of Coconino County, and, with only one or two exceptions, each and every one of those own real estate upon which they pay taxes, in addition to their sheep herds. Some of them have the most substantial homes in the town of Flagstaff. Others have, to my own personal knowledge, very substantial and beautiful homes in the town of Williams. (The following is the list of names read by Mr. Clark:)

McDermid, H. E. Campbell, E. B. Perrin, T. A. Riordan, Chas. E. Howard, Gus. Klimer, Wm. McIntyer, Jim Cart, Edgar I. Smith, Wm. Rose, C. H. Odell, Jose Chaves, Andry Kline, Wm. Doyle, W. W. Newman, Frank Ebert, Witzler Brown, W. H. Campbell, Tom Sayers, F. W. Sisson, D. M. Francis, C. C. Hutchinson, Cap. P. Smith, Frank Beasley, F. W. Volz, J. H. Sterling, J. F. Daggs, H. C. Lockett, Joe Moritz, J. X. Woods, E. B. Newman, Harry Milbourne, T. E. Pollock, C. H. Schulz, Joe Dent, M. J. Riordan, E. S. Gosney, J. Woodbridge, Jeff. Evans, Mrs. J. Q. Adamson, James Walsh, John Kilgore, Callitano Ybarro, Joseph Lockett, John Noble, J. D. Newman, C. H. Algert, Harry Fulton.

The SECRETARY. What number of sheep do they represent? You gave the number of sheep yesterday.

Mr. CLARK. I could only approximate the number of sheep in the county. I should say it must be somewhere in the neighborhood of between 250,000 and 300,000.

The SECRETARY. What proportion of that is owned by the Perrin Brothers?

Mr. CLARK. I am unable to say. I have never been able to pin the Perrin Brothers down to a definite statement upon anything.

Mr. PHELAN. In Coconino County and Yavapai County the Perrin Brothers were on the assessment roll for 30,000 head, 15,000 in each county. They have moved all their sheep in Coconino County, and they have sold this year everything but 3 ewes, and I have it from Dr. Perrin's son-in-law that they had then 18,000 head of sheep in Coconino County.

The SECRETARY. Were they not compelled to take them out of the county?

Mr. CLARK. For what reason?

The SECRETARY. On account of the animosity or prejudice against them.

Mr. CLARK. May I explain that?

The SECRETARY. Very positive statements to that effect have been made here.

Mr. CLARK. I have had a personal acquaintance with Dr. Perrin for the last ten or fifteen years, and I have known his brother Robert for approximately the same time. All of the gentlemen who have come with me have an acquaintance with him for perhaps the same length of time. I was at one time district attorney for the county of Coconino. During that time I was frequently called upon by Dr. Perrin to institute prosecutions against certain individuals in the county whom he charged with stealing his sheep and horses. I instituted very many. Nearly all of them, when we came to an analysis of the evidence, were found to be groundless. Some, however, were founded on right and justice.

Dr. Perrin, during that time, introduced me to two young men whom, he informed me, he had imported into the country to act as detectives in ferreting out the men preying upon his sheep and horse herds. One of them was by the name of Wright. His father is John D. Wright, who, I believe, is a law examiner in this Department of the Interior. The name of the other young man was Hutchinson. Dr. Perrin said to me something like this: "I will now get plenty of evidence, because I have hired these boys to act as detectives." Time went on, and I was called to Williams to institute prosecution against some man against whom some evidence was alleged to have been secured by these young men. I did prosecute him, and my recollection is he was bound over to the grand jury of the county. I do not recall the result. Time went on. These young men called for their salaries. They had been working faithfully—both honest, hard-working boys—and trying to do the best they could in the peculiar calling to which they had been assigned; and to my astonishment I heard one day that Dr. Perrin had caused the arrest of young Wright. I made inquiry into this matter and discovered that young Wright had been persistent in asking Dr. Perrin to pay him his wages. He had been unable to get a settlement, and he had been so persistent that

Dr. Perrin became annoyed with him and, after four weeks, he had preferred a charge against this very young man whom he had imported for stealing stock from him, and the young man's father was compelled to go from this city to the city of Prescott, Ariz., and I saw him there, and he defended, or caused to be defended, his son, who was discharged and he returned again to Washington.

As to this outrage, so called, that has been perpetrated against Dr. Perrin, I am sorry that the impression has ever gained ground that it was due to the citizens of Coconino County. The men who are believed by Dr. Perrin to have done this, and by his son-in-law, Mr. Parks, and the community as a whole, were imported detectives. They were desperadoes imported by him from the Territory of New Mexico. They were men whom he carried on his pay rolls, and his pay rolls will verify my statement. He kept them under some sort of agreement for some time, until he was owing them in the aggregate something like \$300. They demanded pay, but it was not forthcoming. They demanded and demanded again, but received nothing. As I have stated to you, they were desperadoes, and they became desperate indeed toward Dr. Perrin. Finally, one evening, I do not remember the time— what time, Mr. Phelan, was it that this explosion occurred over there?

Mr. PHELAN. About 8 o'clock.

Mr. CLARK. A stick of dynamite was thrown toward the front door of Dr. Perrin's residence, but was arrested by the wire netting. It exploded and jarred the house, doing no damage except blowing a hole in the ground, and, of course, badly frightened the inmates. The fence surrounding his premises was also cut, and the fence adjoining, belonging to Mr. Phelan, was also cut, as it is believed, by these men about that time. Two or three days after this happened Mr. Parks, his son-in-law, was riding from the Perrin residence toward the town of Williams and he was held up by this man Elliott, and he was compelled, at the point of a gun, to sign a check for the money due to Elliott and his associates for the work performed for Dr. Perrin. As soon as the man received the check he started as fast as he could go toward the bank, in the main part of the town of Williams, to get it cashed, but, in some manner, Mr. Parks was able to get word to the bank first, so the man did not secure the money. Mr. Parks caused the arrest of Elliott for the assault committed upon him, and at that trial Mr. Parks voluntarily withdrew that prosecution and paid these men what they demanded, upon the condition that they would leave the county, and they did leave the county and stayed away for a while.

Now, these are the facts and the truth connected with this so-called outrage. It can not be laid at the doors of any man resident in Coconino County. If there is responsibility for such a stain upon our fair name, it lies at the doors of Dr. Perrin, and his peculiar business or unbusiness methods. I venture further the assertion that no one was more pleased that Dr. Perrin was frightened and thereby left the Territory than his son-in-law, Mr. Parks, if his own statement may be believed, and I have no reason to doubt him, for he says so. I will say further that every effort was made by the authorities of Coconino County to fix this crime upon that man. They did have a charge against him for assault, and for highway robbery upon his son-in-law, Mr. Parks, and it failed because Mr. Parks requested it. They were

not able to fix this crime of throwing this dynamite against Dr. Perrin's door, and the evidence could not be procured. No member of Dr. Perrin's family could or did swear to it, and notwithstanding that something like \$1,000, I think, was spent in fruitless search in this case, we were unable, for the reasons stated, to secure any convictions.

Now, it has been said by Mr. Britton that the right of way of the Santa Fe Pacific Railroad Company only passes over 51 miles of this forest reserve, and he says that, at the most, if any, would be the only part upon which they would fail to pay taxation. I fail to understand why such a statement should be made, and I do not see any reason or logic in it. There are 106 $\frac{2}{3}$  miles of the Santa Fe Pacific Railroad within the county of Coconino. The Santa Fe Pacific Railroad Company is now paying taxes upon that road upon the valuation of \$2,500, solely because of a treaty entered into in the city of Los Angeles, a treaty compelled and forced by the county of Coconino. It was not a treaty willingly entered into by the railroad company. It required several days' deliberate discussion and stubbornness on each side before it was reached. I was one of the commissioners of Coconino County, and it was because of the valuable timber of Coconino County, and within the limits of the forest reserve, that it finally consented to pay upon a valuation of \$2,500 a mile. Now, having agreed to do that in Coconino County, and the representatives of all the other counties being there, it followed that the agreement applied to each and every county. If these lands, which alone represent the value of the Santa Fe Pacific Railroad grant in Coconino County, are withdrawn from taxation, as I remarked yesterday, there will be no further need for the railroad company paying anything upon its right of way. It will have no other lands upon which a valuation can justly be placed by the board of equalization of that county which would warrant the Santa Fe Pacific Railroad Company in making any promise. There would be nothing to promise on, because, as I have said to you in sincerity and out of honest and heartfelt belief, I do not think that 1,300,000 acres of land remaining in the railroad ownership within Coconino County are worth much more than the conveyances by which they obtained them, and I would not pay them at this moment what it cost them in clerical fees and the cost of the deeds for that whole tract, for any practical use of which I at the present have any knowledge. The same may be said of the remnant of the Perrin land and of all the rest of that land.

Now, Mr. Britton said we did wrong in saying the railroad company was moved by selfish interests. If he had shown to you, Mr. Secretary, any other interests; if he had given you any other good reason why they should be so moved in behalf of this consolidation, I would withdraw that statement; but I have failed, from anything stated by Mr. Britton, to discover any reason for this anxiety, the anxiety of the railroad in this matter, excepting that of self-interest.

To allude for a moment to some figures which were requested of me yesterday, and which at that moment I could not give you because I had not compiled them, I wish now to state that the annual interest paid by the county of Coconino upon its public debt is \$9,846.06. The interest paid by the city of Flagstaff upon its waterworks bonds, its only bonds, is \$5,700 annually. The tax which Coconino County is compelled, annually, to pay to the Territory of Arizona, as its pro rata of the Territorial burden, is \$13,929. The expense of maintaining

Coconino County, the "operating expense" as you aptly termed it yesterday, is \$30,974.75. The expense for schools, for maintaining our public school system, and we have one of the best in the entire West, is \$11,438.38. And I take pride in saying that the people of Coconino County pay more per capita for the maintenance of its public schools than any other county in the United States of America, as is shown by public reports on educational matters.

Now, to return for a moment to these figures.

The SECRETARY. That makes a total of how much?

Mr. CLARK. That makes a total of \$71,888.19, to which should be added \$1,340.40, interest upon floating debt, making a grand total of \$73,228.59.

It was said yesterday by Mr. McCowan that the sheep upon the northern slopes of Coconino County are the hoofed locusts of the West. Now that, it appears to me, is a harsh term to apply by the people of one part of Arizona to one of the essential interests of another portion, a people who ought to be united by a brotherhood of interests. We do not say "alfalfa-fed blackguards" simply because they are opposed to our interests; and "hoofed locusts" does not look well, and is misleading in that it was said by the gentleman that these sheep go across the country as the swarms of grasshoppers went across Kansas. I do not know anything much about the sheep business practically; neither do any of these gentlemen, because none of us is interested in a hoof of sheep directly or indirectly. We are here simply to represent the interests of the entire county, of which the sheep interest happens to be a material part. If I have ever represented sheep, it is of the same variety with which Mr. McCowan is familiar, known as black sheep, and that is the extent of my experience in the sheep business. But when sheep do travel across the country, they do not go swarming close together like soldiers, in a compact body. I have seen them time and time again. They spread over across, sometimes, miles of country in traveling and feeding. The statement was made they leave the ground as bare as this floor. Sheep have been ranged all over Coconino County for twenty years. I ask you if that statement were an actual fact, how bare the entire surface of Coconino County would be at this date, and it lacks a great deal of being bare. The sheep, it is true, are more destructive of the country over which they cross than are cattle, but the difference is not nearly so great as is usually reported, and I undertake the assertion that when ranged intelligently, and not allowed to remain too long in one place, nor to graze it too closely, they are a benefit rather than an injury.

The gentleman said the Salt River Valley is fed largely, in his opinion, by springs breaking out from an underflow. He said in the same breath it was the policy of the Salt River Valley to build reservoirs, and they did not want those reservoirs to be silt-filled reservoirs. Now, if it is true that the water which feeds the streams of the Salt River Valley finds its way underneath the surface, how can it be accompanied by silt and stones and débris? If he contends that that country drains off the surface into Salt River Valley, there might be some logic in his statement, because he admits that with the exceptions of perhaps one-fourth of the southwestern corner, it all flows north and away from the Salt River Valley. Therefore one or the other of the statements must fall.

Mr. McCOWAN. I do not want to be misrepresented in that state-

ment. If I remember correctly, my words were that the evidences were to the effect that a certain amount of the water that falls on the north rim—the north slope of the San Francisco Mountains Forest Reserves—finds its way by percolation through the earth, and by means of springs on the south side, into the Salt and Verde rivers.

Mr. CLARK. That is true, sir; I remember that. I do not think I misrepresent you.

The SECRETARY. I think, Mr. Clark, you misunderstood Mr. McCowan yesterday. In speaking of the reservoirs he spoke of the silt brought down by exterior means from the washing out of the silt from the reservation, not from the springs. He could not have said that for a moment.

Mr. CLARK. This is the point to which I wish to direct your attention. How can it be that the reservoirs of the Salt River Valley or the water courses of the Salt River Valley are affected by any conditions whatever upon a country which drains away from it? Now, that is the point. Mr. McCowan has said, and I do not deny it, that there are \$10,000,000 worth of assessable property in the county of Maricopa, against a little over \$1,000,000 in the county of Coconino.

His argument may be summarized that the \$2,000,000 owned by the few people in the north should be sacrificed to maintain the \$10,000,000 worth in the Salt River Valley. Now, upon business principles (it may, be cold-blooded) — upon business principles that would be sound, if the gentleman had shown just how far we are responsible in the north for the jeopardizing or diminution of the water supply of the Salt River Valley. But I ask you in all candor if it was shown by Mr. McCowan or anyone that any specific amount of water can be demonstrated to have been taken away from those people by the conditions on the San Francisco Mountains Forest Reserve? In the first place, it is admitted that it flows north—all except the southwestern corner. To that corner I wish now to allude. The southwestern corner takes in what we know as Oak Creek and Sycamore Canyon. Notwithstanding four years of most severe drought, Oak Creek, which is a very important tributary of the Salt River, flowing first into the Verde, has not perceptibly diminished one gallon, and that is a statement which we made to Dr. Chandler, and his reply was that his information had been that it remains very steady. That flows from the southwestern corner of our reserve, and the only part which is a surface flow toward the south; and it is spread by springs all over that region there. It is grazed over by all sorts of stock. The very head waters of it are invaded by the logger and the wood chopper, and the flow remains the same. That flows into the Verde. What happens when the water reaches the Verde? I say to you that the head waters of the Verde are being rapidly settled by agriculturists. Generally all these men take out a water right, until, as I saw it stated in a leading journal of the papers of Prescott a few days ago, by a gentleman there, that during the last eight years more than 16,000 acres had been added to the irrigable land of the Verde Valley, the water supply for which had been taken out and appropriated, and that is the water itself that ought to go, perhaps, to the Salt River Valley. But we are not responsible for what the farmers of the Verde do, and if the people of the Salt River Valley are practical in their demands, I say that they should present a practical case, and something practicable to deal with. There should be something

demonstrable in figures and arguments. These gentlemen over here in the Department of Agriculture, with whom we talked this morning, said as to the underflow from the San Francisco Mountains Forest Reserve, of all that region, it was not demonstrable that any of it flows south. It might be so, they said. If you are to pass upon this question, and I know you are desirous of passing upon it with the highest regard for the equities of all concerned, I know you want something tangible before you, and you want something to tie to. And if these gentlemen have come here with the proof that the conditions of which they complain have really diminished their water supply, then I will say we must subscribe to their statement, because it is true and right, and no matter how deeply it cuts, we must abide it. Let me say further, it comes from Mr. McCowan's own mouth, that they are now irrigating something like 50,000 less of the land than they were five years ago, by reason of the diminution of the water supply. Fifty thousand acres have been relinquished to the desert, he said. What part of those 50,000 acres are the people of Coconino County responsible for? There has been a drouth all over that country for nearly four years. New Mexico, Arizona, Colorado, Utah, and the entire Pacific coast have shared in it. The springs upon the northern part of that reserve, which once flowed enormous volumes of water, have shrunken to about 25 per cent. In the face of this drouth and adverse conditions, the one water course which passes south from the Grand Canyon Forest Reserve and San Francisco Mountains Reserve flows in undiminished quantities. Where have we injured the water supply of the people of the Salt River Valley?

Mr. McCOWAN. I did not make any such statement, that Coconino County was responsible for that diminution.

Mr. CLARK. I did not say you made the direct statement, but your whole argument tends to the conclusion that unless this reserve is consolidated, and these sheep and cattle excluded, and this lumbering stopped, you will lose everything you have, or else I do not know what you are arguing; because that is the only question we are here to argue—the consolidation of that reserve.

Mr. McCowan further spoke about the inclination of bed rock. We asked Mr. Gannett, one of the gentlemen here at the Geological Survey, as to the inclination of the bed rock, and he searched maps and records in the office of the Geological Survey, and he said he did not know that he had any record which established positively the drain of the entire bed rock, but he said such records as they had tended to show that the bed rock in that region inclined to the north. Now, if that is true, it is manifest that a great deal of water gets south from that reserve.

Mr. McCowan further says that the assessed property of Maricopa County is \$10,000,000, etc., and, if I have not done you an injustice, Mr. McCowan, I will simply say that the appeal made sounded like a demand for the sacrifice of the interests of Coconino County for the benefit of the south.

Mr. McCOWAN. I consider that a very great injustice.

Mr. CLARK. A point was raised by Mr. Britton, yesterday, as to the railroad tax bill. I wish to say that we are informed by gentlemen on the Committee on Pacific Railroads in the House, that that bill is already killed and will not be reported to the House. It seems that Mr. Perea, of New Mexico, insisted on offering some amendments

which were not agreeable to the railroad company. I can not pass on the merits of this, but the fact is that the bill is dead for this session of Congress.

And another point: It was stated by Mr. McCowan, yesterday, that the Arizona Lumber and Timber Company (I think you mentioned the Arizona Lumber and Timber Company) had reserved lands sufficient to run them for twenty or thirty years. We have information to the same effect, and we believe it. We believe that contracts exist at this moment between the Santa Fe Pacific Railroad Company and the Arizona Lumber and Timber Company, under which anywhere from eight to ten townships of the finest timber land in that reserve is contracted with that company upon a stumpage basis. If we are in error as to this, the representatives of that company who agree with Mr. McCowan are likewise in error. They make the same statement. The contracts may not be on record.

Mr. HERMANN. On that point, if those who are the owners of the soil embracing practically all the odd sections within that reserve make a conveyance or relinquishment to the Government, how would that permit these other parties to denude the soil of its timber?

Mr. CLARK. My understanding of that is this, Mr. Commissioner, that before the Santa Fe Pacific Railroad Company can relinquish its lands to the Government, or can select other lands in lieu, it must show to the Government an abstract of title showing in them as good title as the Government at first conveyed. Now, if any contracts would appear in that abstract which tie up the timber on this land and would convey it absolutely to private parties, it seems to me manifest that the Government would not accept the title with that incumbrance. That is the point I desire to make.

The SECRETARY. In that connection, I have just sent for a copy of my dispatch to Mr. Kenna. Upon receipt of the telegram which I read, the telegram coming here from the President, I telegraphed Mr. Kenna, at Chicago, because there was an expression in that telegram which I did not exactly understand. The latter part of that telegram, which came from you gentlemen of Coconino County, said there was a heavily bonded debt against that county—\$100,000—for the payment of which these lands are pledged, and without which the requisite taxes can not be raised. I could not understand how the owners of that land could come to this Department and agree upon the conditions that were agreed upon, and deliver to the Government property that was pledged to somebody else. I asked Mr. Kenna for an explanation. My interpretation was you meant that the taxes you got from those lands were pledged by you people for revenue purposes; but I have received an answer from Mr. Kenna.

Answering yours of the 19th ultimo, received in my absence. The land in the San Francisco Mountains Forest Reserves which the Santa Fe Pacific Railroad Company proposes to relinquish will be deeded free from all incumbrances and be unaffected by any bonded indebtedness whatsoever.

E. D. KENNA,

*First Vice-President Santa Fe Pacific Railroad Company.*

Mr. CLARK. I have only this to say as to that, Mr. Secretary: That telegram states an absolute impossibility, because when this bonded indebtedness was contracted the men who came there and investigated the conditions which formed the security for the money they

were loaning to the county and town saw this land lying there in private ownership, a million of acres, approximately—fairly good timber land. They said: "There is taxable property to the extent of so many dollars." They had a right to say so; it was on the assessment rolls. If this reserve be consolidated, it will strike those lands from the assessment rolls. Their security will be to that extent diminished. That is what we mean when we say these lands were pledged.

Mr. HERMANN. I take it, from your last statement, that perhaps it is possible for these people to make a relinquishment to the Government of the United States, and yet at the same time it not appearing in their conveyance or relinquishment that there are outstanding contracts whereby others will be entitled to remove the timber from these lands.

Mr. CLARK. Of course, I am not the judge of a question of that kind; that must be passed upon by this Department. It would occur to me, however, that if such contracts as that do exist, and they are brought to the notice of the Government before the land is relinquished and the selections made, it would be a serious bar to the transaction. It would be contrary to any procedure of which I have any knowledge, from my experience with this Department.

The SECRETARY. You do not mean to suggest, Mr. Clark, that the Santa Fe Pacific Railroad Company are going to offer us lands to which they could not make us absolute, clear, and unquestioned title?

Mr. CLARK. Most certainly not, Mr. Secretary.

The SECRETARY. They would not be doing that if they brought us lands here of which certain other people had the right to cut the timber off. Therefore, if you agree with me in my estimation of the railroad company, it can not be possible that there should be any such contracts in existence whereby timber can be cut off the lands left.

Mr. CLARK. I certainly do not mean that there would be any such subtraction and transaction as that in this matter. I am not questioning the integrity or the honesty of anyone, but what I do mean to say is this: It is simply a business proposition. It is quite possible, and I believe it to be true, that the Arizona Lumber and Timber Company have a stumpage contract for the six or eight or more townships of the best timber in the reserve owned by the Santa Fe Pacific Railroad. It may be quite true that the cancellation of that contract can be secured, but, as the case now stands, I believe I am correct. Mr. Britton said that his company was ruled by a profound desire to protect the forests, knowing that upon it depended the welfare of the people of the entire Territory. He stated a truth, but it seems to me that it comes late from the railroad company, inasmuch as they have been the first to sell the very timber, and for good cash money, which they would now, at this late hour, protect. They have sold, as we know, very many thousand acres of it, and the very best of it.

The SECRETARY. My telegram to Mr. Kenna was a copy of the last part of the telegram I read, with this inquiry on my part:

I would like you to favor me with a reply to said telegram, and to advise me whether or not in any portion of the lands your company proposes to relinquish to the Government in the San Francisco Mountains Reserve is affected by the bonded indebtedness mentioned in that portion of the telegram quoted above.

Mr. CLARK. Of course, the bonded indebtedness would not create such a blemish upon the title as would prevent this office from accepting it, because a county obligation is never a cloud on a title, which must be an obligation against the land itself. The county obligation is an indirect lien, and so indirect that it is not taken into account in an abstract of title. What we say is that it is a lien in conscience, morality, and according to the judgment of the people who made these investments. If you, as a business man, were to purchase to-day the bonds of the city of Washington, were it possible that the city could issue bonds, you would do it upon your judgment upon the taxable values within this municipality. That is the principle upon which the investors who bought the Flagstaff and Coconino County bonds invested their money in our country. They saw these lands, and the proper timber upon them, and added it all together as a total sum; that they considered—the taxable property—was sufficient to raise the requisite amount of taxation to yield them their interest and lay apart a small sum for a sinking fund each year. That is what I mean when I say these lands were pledged only to that extent; not as an actual lien of record upon the property, but in the judgment of these business men these lands were pledged.

The SECRETARY. Do you remember when these bonds were issued?

Mr. CLARK. Yes, sir. Flagstaff, in 1898; the court-house bonds in, I think, 1894; the bonds issued to Yavapai in liquidation of Coconino's portion of the debt when that county was divided were issued in 1892, \$159,000; the Williams court-house bonds were issued, I think, in 1892, and the school district, or the Flagstaff school bonds, were issued in 1895, as I remember it.

The SECRETARY. What was the amount of bonds issued in 1898?

Mr. CLARK. Ninety-five thousand dollars for the town of Flagstaff.

The SECRETARY. The greater portion; nearly one-half. Were the parties who took the bonds informed that the Government placed part of the property in the reserve?

Mr. CLARK. I think the bonds were issued in the early part of the year.

The SECRETARY. The reserve was created before 1898. I think.

Mr. CLARK. The reserve was created on the 17th of August, 1898. That is the exact date.

Mr. BRITTON. Are any of the bondholders represented here, protesting against this reservation?

Mr. CLARK. Only as you see them represented by the delegation from Coconino County. We have been in communication with them. We have tried to state the situation to them fairly, and they have authorized us to speak for them and in their behalf at this hearing, and others, I think, are taking other means to bring their interests before the Department and to protect their rights in such manner as they can. I believe they share with us in the belief that the consolidation of this reserve will be extremely disastrous.

I wish to say, in conclusion, the last thing we have desired is to exaggerate or mislead. If we have done so, it is because we have been led astray ourselves, because we have made some slip of the mind, and I do not think that we have made any error. I still maintain the correctness of everything we have said in this state-

ment, with the exception that we may have erred a few acres, more or less, as to the acreage owned by the Saginaw and Manistee Lumber Company and E. B. Perrin; but if so, it is very trifling. As to all the other claims in there, we stand by them and abide by them. We can demonstrate them. Should there be any question in the mind of anyone who hears me speak now as to the truth of what we have said, we simply say with confidence that a few years will demonstrate more than we can in a week's discussion here. We say as to the suggestions made by Mr. McCowan for our relief, the stumpage proposition or something of that sort—we say that we do not think we should be asked not only to bear the burden which will be cast upon us by the consolidation of this reserve, but to devise ways and means and to carry out ways and means for our relief. There are beneficiaries in this transaction, and we think, if there is to be any softening of the blow likely to fall upon us, it should be borne by them. We are asked, as far as payment of the bonds is concerned with the diminution of property which must follow—we are asked very much as the children of Israel were, to make bricks without straw. It is much as though I should approach Mr. McCowan and say, "I am a very good friend of yours; I am sorry I am obliged to kill you, but I will soften it as much as possible; I will pay your funeral expenses." That is the way the proposition comes to us here who are here in the interests of the people who have sent us. We have come here to appeal to the business judgment and good conscience of the Secretary of the Interior. We believe, Mr. Secretary, you are inclined to treat this question with the utmost fairness; we believe if any of us have made little errors of tongue or intellect in presenting our case, as we have, that it will be overlooked by you; we believe that in the final analysis of this whole matter that these gentlemen to whom we are now appealing, yourself in particular, will be governed only by the highest principles of justice, right, and truth; we believe that you will also have a due regard for the doubts that may arise as to the legality of the law under which such extreme measures as the one proposed may be taken.

We can only ask, in conclusion, that in the final decision of the question you try, as we believe you will, to make yourself a citizen of Arizona for the time being, look over the whole field, and, with equal justice to all, do the best that a conscientious man can do; and we know that you will do all of that. I thank you for your attention.

Mr. WOOLF. What proportion of the bonds are funded into Territorial bonds?

Mr. CLARK. One hundred and fifty-nine thousand dollars only.

Mr. WOOLF. So that, in case of failure to pay those bonds, according to statistics adduced here, Maricopa County will have to assume about one-third?

Mr. CLARK. The Territory of Arizona would have to assume all.

Mr. WOOLF. According to statistics here, Maricopa paying nearly one-third of the taxes of the Territory, would have to assume one-third of the indebtedness growing out of this \$159,000; Maricopa would pay one-third.

The SECRETARY. Out of your total issue?

Mr. CLARK. The Territory is only responsible for \$159,000, out of about \$306,000 altogether.

The SECRETARY. Is there any other statement that gentlemen on either side would care to make?

There was no reply.

The SECRETARY. Well, gentlemen, we will try to reach a conclusion as soon as we can.

And then, at 5.20 p. m., the conference adjourned.

A PUBLIC PROTEST BY THE CITIZENS OF COCONINO COUNTY, ARIZ., THROUGH THE BOARD OF SUPERVISORS.

Hon. E. A. HITCHCOCK,  
*Secretary of the Interior, Washington, D. C.:*

We, your petitioners, members of the board of supervisors of Coconino County, Ariz., in behalf of the people of said county, do hereby respectfully represent and show as follows:

Whereas by Executive order of August 17, 1898, all of the even-numbered sections in certain townships in Coconino County, Ariz., embracing 975,000 acres, were set apart as a forest reservation under the name of the "San Francisco Mountains Forest Reserve;" and,

Whereas the following-named corporations are the owners of the odd-numbered sections within the exterior boundaries of said reserve, and are assessed upon the assessment roll of said Coconino County for the surveyed and selected portions of said lands in the amounts set forth in the following table, to wit:

Name.	Acres.	Valuation.
Santa Fe Pacific Railroad Co.....	301,543	\$60,308.75
Saginaw and Manistee Lumber Co. and E. B. Perrin.....	369,955	116,857.67

In addition to which, said corporations own large tracts within said reserve, approximating 300,000 acres, which are unsurveyed and are not yet listed for taxation, but which will soon become a taxable asset of the county; and,

Whereas the cattle, horses, and sheep ranging on said reserve and taxed in said county are valued at \$485,950; the rate of taxation on all of which property described as aforesaid is \$3.82 upon each \$100 of assessed valuation; and,

Whereas the county of Coconino has a bonded indebtedness of \$192,500, for which said lands are pledged, classified as follows:

Bonds issued in liquidation of debt to Yavapai County.....	\$159,000
Bonds issued for construction of court-house and authorized by special act of Congress.....	15,000
Bonds issued by school district No. 1.....	15,000
Bonds issued by school district No. 2.....	3,500

In addition to which the town of Flagstaff has issued its bonds, authorized by special act of Congress, in the sum of \$95,000 for the construction of a system of waterworks; the several issues aforesaid being payable, respectively, at the bank of Gilman, Son & Co., New York, the National Bank of Commerce, New York, and the Hanover National Bank, New York; and,

Whereas by a recent decision of the Supreme Court of the United States (172 U. S., 171; 172 U. S., 186), the Santa Fe Pacific Railroad Company (under the name of the Atlantic and Pacific Railroad Company) was declared to be exempt from taxation upon its right of way within the Territories, and by virtue of said decision said railroad company denies its liability to taxation within this county upon its right of way; and under a compromise with the board of supervisors of said county whereby its lands aforesaid are assessed at the rate of 20 cents per acre it is voluntarily paying upon said right of way within said county at the valuation of \$2,500 per mile, or one-half of the valuation upon which it paid prior to said decision; and,

Whereas your petitioners, taxpayers and residents of Coconino County, Ariz., being credibly informed that arrangements have been or are being made whereby the corporations aforesaid are to have all of such lands so pledged included within and made a part of said forest reserve, in order, as your petitioners are informed, that they may exchange such lands for public lands elsewhere:

Now, therefore, your petitioners respectfully represent that, in view of the facts aforesaid, if the lands of the said corporations are permitted to be consolidated with the present forest

reserve and relinquished to the Government in lieu of other lands to be selected by said corporations, approximately one-half of the taxable property of the county will be immediately struck from the assessment rolls. Under such an extreme diminution of taxable property, the remaining values will quickly depreciate to such an extent that not more than one-third of the present taxes can be realized at the existing rate. Inasmuch as all the taxes now levied are indispensably necessary, it will become requisite to more than double the present rate in order to realize the same amount. Such action would prove ruinous; property would be abandoned and sacrificed for the taxes thereon; the county would become depopulated and insolvent, and repudiation would be the inevitable result.

We invite your attention to the exhibits hereto attached, in which are set forth at length the certificate of county officials in support of the statements hereinbefore made; and your petitioners pray that such action may be taken by the Department as will protect the rights and interests of the citizens of Coconino County, its public institutions, its credit, and the holders of its securities.

And your petitioners will ever pray.

J. C. PHELAN, *Chairman*,  
GEORGE BABBITT,  
T. E. PULLIAM,

*Members Board of Supervisors, Coconino County, Ariz.*

The above petition was read at, and unanimously approved by, a public meeting of the citizens of Coconino County, held at Flagstaff, Ariz., January 21, 1901.

J. C. PHELAN, *Chairman Mass Meeting.*

Attest:

C. M. FUNSTON, *Secretary.*

EXHIBIT A.—*Compiled from the records of the clerk of the board of supervisors of Coconino County, Ariz.*

Bonded indebtedness account division Yavapai County.....	\$159,000.00
Bonded indebtedness account court-house.....	15,000.00
Bonded indebtedness account Flagstaff school building.....	15,000.00
Bonded indebtedness account Williams school building.....	3,500.00
Total bonded indebtedness.....	192,500.00
Rate of taxation for the year 1900, county and Territorial, \$3.82.	
Assessed valuation of property in the county for the year 1900.....	2,016,360.30
Property that will be withdrawn from taxation if order is issued:	
Cattle, horses, and sheep.....	\$485,950.00
Acres railroad land, 301,543.78.....	60,308.75
Perrin and Saginaw and Manistee Company, acres land, 369,965.37.....	116,857.67
Santa Fe Pacific Railroad right of way, which is exempt by decision of United States Supreme Court and is paid now on a valuation of \$2,500 per mile in consideration of assessment of lands at 20 cents per acre, or in consideration that their timber be not estimated and taxed at what it is worth. This amount includes Saginaw Southern Railroad, which will be removed.....	283,649.98
Personal property of Saginaw and Manistee Lumber Company, which will be removed if order is issued.....	43,940.00
	<hr/> 990,706.35
Taxable property remaining in county.....	1,025,653.95

TERRITORY OF ARIZONA, *County of Coconino, ss:*

I, H. C. Hibben, clerk of the board of supervisors of the county of Coconino, Territory of Arizona, do hereby certify that the above and foregoing statement, showing the bonded indebtedness and rate of taxation for the year 1900 of said county of Coconino, also the values of taxable property assessed in said county for said year 1900, and certain details thereof, is a true, correct, and complete statement of such values and amounts, as shown by the records of my said office for the year 1900.

Witness my hand and the seal of said board this 21st day of January, A. D. 1901.

[SEAL.]

H. C. HIBBEN,  
*Clerk Board of Supervisors, Coconino County, Ariz.*

(Ten-cent revenue stamp, canceled.)

## EXHIBIT B.

Hon. E. A. HITCHCOCK,  
*Secretary of the Interior, Washington, D. C.*

SIR: In view of the fact that the Santa Fe Railroad Company and other persons owning the odd-numbered sections of land within the boundaries of the different forest reserves in Arizona are contemplating the act of relinquishing all of said land to the Government of the United States, thereby making one compact body of reserved land, I write you of the serious effects the act would have on the educational interests of this community.

As I have had the honor to be the superintendent of schools of this county for the past six years, I am somewhat familiar with the resources of the county and the amount of funds necessary for the proper management and conduct of the civil and educational affairs of the county.

The consolidation of the even and odd numbered sections of land within the reserves would withdraw from taxation all, or at least 90 per cent, of the most valuable and habitable portions of this county, and would eventually exclude the live-stock interests from this reserved land or would hamper the stockmen of this section with regulations and rules which would be practically exclusion.

The land thus withdrawn from taxation and the probable results of the withdrawal of the live stock therefrom would reduce the assessed valuation of the now taxable property of the county at least 40 per cent. Within the boundaries of these reserves in this county we have a school population of 600 and school property valued at \$35,000, and a school bonded indebtedness on this property of \$22,000, bearing 6 per cent interest. The maintenance of these schools and the payment of these bonds and the interest thereon depend upon taxes received in the county and levied upon the taxable property of the county. All this property is pledged to the payment of this indebtedness as well as the other bonded indebtedness of the county.

As it now is we have an average of but six months of school per year in the county, and the proposed reduction of taxable property and the attendant reduction in receipts would necessitate a still shorter term of school and an increased rate of taxation on the remaining taxable property, which would be particularly burdensome and unbearable, and would in many instances mean repudiation and bankruptcy.

The people of this section are honest, industrious, loyal, and patriotic American citizens, and guard with jealous care the public schools, of which we as a people are so justly proud.

As American citizens, who boast of our intelligence and are constantly reminding other less-favored nations of our free schools and popular system of education, we can not afford to withdraw from any of our people this one priceless boon—the educating of posterity.

I, personally and in my official capacity, enter my earnest and sincere protest against withdrawing the above-mentioned property from taxation. With great respect,

I am, very truly, yours,

N. G. LAYTON,  
*Superintendent of County Schools.*

FLAGSTAFF, COCONINO COUNTY, ARIZ.,  
*January 21, 1901.*

EXHIBIT C.—*Statement of liabilities of the town of Flagstaff, Coconino County, Ariz.,  
 January 22, 1901.*

Ninety-five \$1,000 thirty-year waterworks bonds.....	\$95,000.00
Semiannual interest due.....	2,850.00
Floating water department indebtedness covered by warrants.....	9,970.06
Interest accrued and due on above warrants.....	1,933.35
Floating general department indebtedness covered by warrants.....	5,435.46
Due Arizona Lumber and Timber Company, cash advanced on water rents....	1,200.00
Mortgage and note due Arizona Central Bank on town hall.....	1,200.00
Accrued interest on above mortgage.....	72.00
Due for bills of goods bought, bills passed and now waiting funds.....	680.47
Total.....	118,341.34

Taxable property for year 1900, per assessment rolls, \$452,952.50. Rate of taxation, 10 mills on the dollar. Rate of taxation for county, 1900, \$3.82; rate of taxation for town, 1900, \$1.

FLAGSTAFF, ARIZ., *January 22, 1901.*

I hereby certify that the foregoing is a true and correct statement of the financial condition of the town of Flagstaff at this date, and that the rate of taxation as therein set forth is correct.

E. E. ELLINWOOD.  
*Mayor Town of Flagstaff.*

Attest:

L. W. QUINLAN, *Clerk.*

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STATEMENT FILED BY REPRESENTATIVES OF MARICOPA COUNTY.

The SECRETARY OF THE INTERIOR.

SIR: It is far from our desire or the desire of the citizens of the Salt River Valley to utter a word here or elsewhere that would cause a breach of ill feeling as wide as a man's hand between the agriculturists of the Salt River Valley and the sheep and lumber men of Coconino County. But, unfortunately, we are confronted by a condition full of menace to our industrial prosperity—a condition that must be solved. That condition, Mr. Secretary, it is our privilege to present to you in all of its various phases, and we ask of you your most careful and thoughtful consideration.

Years ago small parties of adventurous men with their families left the congested cities of the East and North, where their opportunities were few and success could be attained only after many hardships and the overcoming of many arduous difficulties, and sought relief in the far West. They settled, Mr. Secretary, along the banks of the Salt River in Arizona. This valley at that time was a desert; vegetation was scant; there was nothing enticing or inviting for these hardy pioneers except the fascination of an almost limitless extent of desert surrounded by purple hills. The desert itself was covered with sand, sagebrush, and cactus. These pioneers examined the soil and found it rich; they discovered, also, traces of another race that had lived and labored, loved and hated, fought and conquered or been defeated in this valley that they had determined to make their home. They found traces there of prehistoric canals, miles of them; they found thousands and thousands of acres of desert lands leveled and bordered and made ready for the life-giving water. This prehistoric people had passed away; there was not one left to tell whence they came or whither gone, but because the faint trace of these canals and leveled lands showed that they had prospered and were great, and because of the fascination of the vastness and varied beauty everywhere around them, these pioneers decided to settle and seek opportunities for the making of homes and the accumulation of friends in this far-away, isolated, desert land.

They toiled, Mr. Secretary, as only pioneers in a new land—met everywhere by seemingly insurmountable difficulties and determined to carve out of these difficulties as soon as possible comfortable fortunes with which to go back to the East and their friends—can toil. With their own hands they manufactured bricks from the soil and made for themselves comfortable adobe houses. From the mesquite trees they cut posts with which they fenced their desert farms; they cultivated the soil diligently, vigorously; they dug ditches by which they conducted water from the Salt River out upon their desert fields, and in a short time had the pleasure of seeing many blades of grass growing where none had grown before. Years passed away; other people came from the land of meager opportunities and of shiver. They expended their strength and vitality and their money in the building of comfortable homes and the development of this new country. They had faith, Mr. Secretary, absolute faith, in the integrity of the Government they loved. They felt that when they exercised their rights as American citizens and expended their energies upon the reclamation and development of that arid region that this Government would see to it that their rights were assuredly preserved. Believing this, they pursued diligently, untiringly, their work of changing the face of that desert land into the fullness of evergreen beauty and orchards of marvelous productiveness. They invited capital to visit them, and by many an honest promise of exceeding great reward succeeded in interesting capital to come and build great canals that would take the water out of the Salt and Verde rivers in vast quantities, thus achieving in a very short time what would otherwise be impossible of accomplishment.

And so, Mr. Secretary, by anxieties, by sacrifices that can not be adequately understood without personal experience, by the giving up of relations and friends in Eastern homes, by devotion to those high standards that go to make up the grand, independent, loyal American citizen, these people proceeded to establish the foundation of a vast empire.

In a quarter of a century's time, Mr. Secretary, this handful of pioneers has grown to a population of 35,000 people, representing a degree of intelligence and high citizenship equal to any section on the face of the earth. They have surrounded themselves with many evidences of comfort and wealth; they have built good, substantial homes; they have built cities there, one of which, Phoenix, contains about 12,000 inhabitants. They

have built some 200 miles of main canals and over 400 miles of laterals. The Salt River Valley to-day contains one-third of the entire white population of the Territory and pays almost one third of the Territorial taxes.

Now, Mr. Secretary, the basis of all this wealth—past, present, and future—is water. Water is the foundation of the entire fabric of civilized life in that region. Without water this entire community must move, and all of its beautiful farms and profitable orchards must disappear and the country again become a desert, the home of the cactus, the rattlesnake, and sagebrush. In round numbers there are in the Salt River Valley about 400,000 acres of land as fertile as any the sun ever shone upon. By the application of water this soil can be made to produce abundantly all semitropical and almost any tropical grain or fruit. It can be made an empire in itself capable of maintaining in peace and comfort half a million of souls. But we realize, Mr. Secretary, to our great sorrow, that we have reached the limit of growth and development under the present conditions. Something more than 200,000 acres have at various times within the decade been under cultivation, but water has grown scarcer and scarcer, until now not more than 150,000 acres are producing. More than 50,000 acres have already been abandoned and are again, owing to lack of water, part of the great, worthless desert.

It has been estimated by good authority that the Salt and Verde rivers furnish sufficient water when properly conserved and properly employed to irrigate the entire valley. Estimates, based upon actual observation and tests, have been made by competent authorities for the last twelve years, and these estimates prove that if the water that had fallen in the shape of rain and snow in each of these twelve years had been stored, that there would have been sufficient to have irrigated every acre of available land in the valley. But to accomplish this result an immense expenditure of labor and money and considerable time will be required. Already \$4,000,000 have been expended in the building of the present system of canals; already an actual investment by the citizens of Salt River Valley has been made representing the expenditure of about \$30,000,000. But what has been done to irrigate less than half the valley has involved a generation of time, immense labor, and, as stated above, about \$4,000,000 in direct cost of irrigation facilities.

We have plans under consideration now and in course of preparation for the further development in the immediate future which contemplate the expenditure of about \$3,000,000 more in the construction of reservoir dams and in enlarging and extending the canals. If the scheme now under consideration is carried to fruition, there will be expended ultimately in the construction works to handle water for the irrigation of the Salt River Valley an amount of money amounting to approximately \$10,000,000 more. If this is done—and we believe it will be—it means the expenditure of money to at least that amount in the construction of developments on other classes of property, all of which will create real value aggregating probably \$100,000,000. One-third of this grand total of both expenditure and resulting values has been accomplished already, and the remaining two-thirds can be more easily and quickly attained than the first one-third, as the initial work before the advent of railroads was painfully slow.

Now, the foundation, as we have before stated, of all of this value is water, and as the quantity in our rivers is limited and at best not more than sufficient, it goes without saying that the sources of water supply should be most jealously guarded and that nothing should be permitted that would be likely to affect the quantity. So far, however, as storage is concerned, the conditions attending the run-off are equally as important as the quantity. It will be a waste of energy and of capital, Mr. Secretary, to expend millions in the construction of vast storage reservoirs when there is nothing to store. On the other hand, it will be equally a waste of energy and capital to build storage reservoirs and have them fill in a few years by the accumulation of silt and débris.

In view of the contemplated immediate building of storage reservoirs, these considerations are pressing upon us for prompt action, and cost the people of Salt River Valley much worry and anxiety. We have been aware for several years that the quantity of silt coming into the canals has been increasing from year to year. We submit, Mr. Secretary, that the cause of this increase is attributable directly to the cutting away of vast areas of timber on our forest reserves—reserves that cover and include the drainage basins of our valley—and the additional cause of the grazing over these drainage basins of vast flocks of sheep and herds of cattle and horses. As stated before, it is not our intention, Mr. Secretary, to belittle our present supplication and entreaty for the consolidation of the San Francisco Forest Reserve by narrowing it to the scope of a conflict between the various stock interests of our Territory. The people of Salt River Valley are not cattlemen, they are agriculturists. It affords them little or no concern as to whether sheep or cattle are the predominant stock interest of our Territory. They care only for the accomplishment of those things that will maintain for them those inherent rights they claim to have acquired when they wrested those thousands of desert lands from their primeval condition of uselessness. The question of the grazing of stock on the reserves is one that has been the subject of much inquiry on the part of the Government experts, and all of the evidence, pro and con, is in your possession. That matter we are willing to leave to your wisdom and discretion. We do claim,

however, Mr. Secretary, that it is the duty of the Government to bring about a change in the present unsatisfactory conditions prevailing in our Territory in respect to the San Francisco Forest Reserve.

As you are aware, one half of these nearly 2,000,000 acres of forest reserve belongs to the Government; the other half belongs to the railroad and private individuals. You know also that the half belonging to the Government is in alternate sections, making it simply impossible for the Government to exercise control there, either for the preservation of the forests or the grazing of stock. Therefore, the citizens of Salt River Valley make this request: That the consolidation of the San Francisco Forest Reserve be accomplished in order that the Government may exercise over that domain the proper kind of surveillance and control.

We wish to call your attention further to the fact, Mr. Secretary, that water storage is absolutely necessary to secure the full benefit of the irrigation works already built in our Territory. We must proceed with the further construction of irrigation facilities or stand the loss of expenditures already made and the consequent contraction and disarrangement of our plans of reclamation. It is impossible for us to stand still; we must either progress or contract.

In view of the serious fact of the yearly diminution of the precipitation both in the form of rain and snow, and our belief that this decrease is partly, at least, in consequence of the deforestation of our mountain lands, our people hesitate about burdening themselves with additional millions of taxation in order to construct reservoirs that may never fill, and, if filled, that may in a few years be rendered useless by the accumulation therein of silt and débris. Our people are willing to do everything reasonable to produce the highest degree of development, but they do ask that the Government protect them in their inherent rights.

Our friends in Coconino County claim that the consolidation of the San Francisco Reserve and the exclusion therefrom of marauding bands of cattle and sheep will ruin their county and completely annihilate their resources; but, Mr. Secretary, we would like to call your attention to a few facts:

In the first place, we ask you to bear in mind the comparative magnitude of the interests involved. The tax list of 1899 shows the assessable value of property in the Salt River Valley in Maricopa County to be nearly \$10,000,000. At least \$8,000,000 of this value has for its basis the water supply of the Salt and Verde rivers, and this property and value which is absolutely dependent upon water has a real and intrinsic value of quite \$30,000,000, and the developments planned and which are now in process of construction will double this expenditure and resulting values in real property.

On the other hand, the tax list for 1899 gives the assessed value of all the sheep in the Territory at \$900,150; so that the total assessable value of the sheep in the whole Territory, according to this best source of information, is less than 12 per cent of the assessable value of the property in Maricopa County alone, and which has water for its basis of value. And this county, Mr. Secretary, is but one of the four counties directly interested in the waters of these two rivers whose supply is dependent upon the precipitation in our forest reserves.

Understand me, Mr. Secretary, we are not striving to kill the sheep industry; it is an important factor in our Territorial industries. We wish to work no hardship upon any legitimate enterprise. We are not asking that the sheep of the Territory be driven out and that industry annihilated. We are simply asking that the checkerboard condition of the San Francisco Forest Reserve be changed to a consolidation of interests, so that the Government may exercise proper control over it. If this be done, Mr. Secretary, and if in your wisdom it is thought best that stock of all kinds be eliminated from that reserve, even then we are asking that no more than 6 per cent of the total acreage area of the Territory be involved.

According to the tax list, there are 22 owners of sheep clandestinely and unlawfully utilizing grazing privileges of the San Francisco Reserve. Out of these 22 men an even dozen own not a single dollar's worth of permanent property in the county of Coconino. Not one single dollar, Mr. Secretary, have they invested in ranch or town property. They are marauders, pure and simple. They have no more right to graze over the Government reserve than we have to cut down every tree in said reserve. They are interlopers, and continue to destroy and annihilate without giving any sort of compensation in return. Of the other 10 out of these 22, 2 men, the Perrin brothers, are willing to exchange their holdings for lieu lands in other localities. We have not seen the other 8 sheepmen, but have no doubt but that all, or most of them, would be willing to make the same sort of exchange. But whether they do or not, Mr. Secretary, we wish respectfully to submit that we can not — that it is impossible for us or any other class of people in this country to do these people a wrong. We may work upon them a hardship, but it is impossible to wrong a people that have no rights on their side. If they had gone into the country years ago and had taken Government lands and paid for and developed them by the exercise of those qualities exhibited by the pioneers in the Salt River Valley, then, Mr. Secretary, it would be wrong to drive them from their holdings and take from them the rights they had acquired by sacrifice and diligence. But this they have not done.

Again, we wish to emphasize the fact of the immobility of the property covered by irrigation system, as it consists almost entirely of realties and improvements thereon. If the water supply is destroyed, the destruction of this property is total and absolute; it can not be removed to and utilized in other localities. On the other hand, in the removal of sheep from the small area involved the loss will be little or nothing—at most a mere bagatelle. We venture the assertion, Mr. Secretary, that the sheep owners of Coconino County do not own one-half of 1 per cent of the grazing lands of that county; and we do not ask that they be deprived of the title to or the use of a single acre of what they do own. If they have acquired title or rights in lands of Coconino County, even within the confines of this forest reserve, we do not ask that they be ousted from their property unless they are willing to exchange same for other property of equal or greater value; but if they do not own the property therein, if they have not acquired the rights to lands there as our people of the Salt River Valley have acquired rights, then they occupy the public domain by sufferance only, paying nothing for its use. If, on the other hand, having acquired rights to use a section of lands within this reserve, they are grazing more sheep thereon than this section will provide sustenance for, then they are taking that from the Government for which they are giving no compensation in return.

Again, Mr. Secretary, we believe that the citizens of Coconino County in insisting upon the statu quo are shortsighted in the extreme and are injuring their own future prosperity. When these forests are destroyed and these lands denuded of their grass and vegetation, the holders of these lands will simply refuse to pay the taxes thereon, and they will revert to the General Government. How will Coconino County obtain taxes from these lands then?

As stated in the beginning, Mr. Secretary, it is not our wish or desire to injure unnecessarily Coconino County's assets or to deprive that county of a single valuable resource. We will insist upon the consolidation of the forest reserve, because, as we have stated, it means the preservation and safety of the basis of our prosperity. We do not consider that we are acting harshly in requesting that this very small percentage of the grazing lands of the Territory be placed under the control of the Government and subject to such restrictions as it may deem wise. We do not believe either that the condition of Coconino County will be as deplorable as her people would attempt to make you believe. Owing to our friendship for the citizens of Coconino County it is not our desire to utter a word that would lessen in the slightest degree her just claims for compensation. Nevertheless, in justice to our own people and in order that you, Mr. Secretary, may have the facts in your possession, we have the honor to submit the following statement in answer to Coconino County's assumptions:

In the first place, we see no reason why the Santa Fe Railroad should refuse, or could successfully resist, the payment of not only the present proportion of taxes, namely, \$2,500 per mile, but even a greatly increased amount per mile. We fail to see why or how an exchange of a portion of its lands in that county for lieu lands in other portions of the country would free her from any obligations on account of her roadbed, rolling stock, and other large holdings in Coconino County.

The board of supervisors of Coconino County presumes that because of the withdrawal of that portion of the railroad's lands within the borders of the San Francisco Forest Reserve and that these lands will be withdrawn from taxation when they become a part of the Government reserve, that the railroad will then pay no taxes upon any portion of its possessions. This, we contend, Mr. Secretary, is mere assumption, without a single particle of evidence to sustain it. These lands within the borders of the reservation are not the only lands in the possession of the railroad within the county. When this consolidation takes place, the railroad will still own lands within the county to the amount of 1,380,000 acres, all of which, when surveyed, becomes subject to taxation.

Again, Mr. Secretary, you are aware of the fact that the Government claims all of the land of the railroads within the Territory of Arizona becomes subject to taxation as soon as the Territory becomes a State.

Again, we do not see why the lumber mills, as claimed by the people of Coconino County, would remove therefrom. The Arizona Lumber Company, located at Flagstaff, has leased lands and contracts for timber that will keep their mills running continuously for the next decade. The Saginaw and Manistee Lumber Company, at Williams, owns and operates a plant that cost over half a million of dollars. They are willing to exchange their lands in Arizona for other lands elsewhere. This company owns about 100,000 acres. They can not by the best possible exchange secure lands that would bring them more than \$300,000 or \$400,000 at the outside. They are now making money where they are. Now, is it reasonable to suppose that these mills would willingly surrender their business that pays them well and sacrifice a \$500,000 plant for property worth \$100,000 or \$200,000 less?

Again, we submit that the protest of the board of supervisors of Coconino County is incorrect and misleading, as they state that there are 975,000 acres even-numbered sections in Coconino County in said forest reserve, which would lead the Secretary to infer that there was an equal amount of railroad lands, which is not so. There are only 881,280 acres of railroad land in the reserve, and the same acreage of Government land.

Again, they have stated that taxes on personal property amounting to \$485,950 will be eliminated in case of consolidation. In this statement they have taken the entire amount of taxes on personal property in the entire county. There are 11,635,000 acres in the entire county. There are only 1,762,560 acres in the San Francisco Reserve. All taxpayers in Coconino County are those located on Government lands or lands purchased from the railroad, which will not be exchanged unless parties see fit to make such exchange.

The railroad has sold about 6,500 acres to parties owning sheep and cattle on this reserve. Their rights will not be affected by consolidation unless they are grazing on land they do not own. Without considering this feature, however, the board of supervisors of Coconino County should claim the elimination of only that proportion of taxes the forest reserve would bear to the acreage of the entire county, which would be \$65,790 valuation on horses, sheep, and cattle, instead of \$485,950. All of this could not be figured as eliminated, for the reason that all landowners within the forest reserve still have their rights there on any land they may own, unless they see fit to exchange directly east and north of San Francisco Reserve and outside of the Grand Canyon Reserve, on which sheep and cattle can be and are grazed. This Grand Canyon Reserve comprises nearly 1,500,000 acres tributary to the waters of the Little Colorado River, which provides water the year round.

Again, exhibit A shows property that, it is alleged, will be withdrawn from taxation if order is issued. This is misleading and erroneous; first, because it shows assessment of cattle, horses, and sheep, amounting to \$485,950, being the entire assessed valuation of that class of property in Coconino County, instead of the proportion it should bear to the entire acreage of the county, which would be about \$65,790.

But, in order to remove all causes for complaint on the part of the citizens of Coconino County, and in order to adjust all matters in controversy on a fair and equitable basis, we, on our own behalf and on behalf of the citizens of Maricopa County, would urge upon you, as the representative of the Government, to recommend to Congress to give to Coconino County, in compensation for any loss that the consolidation of this reserve might entail upon her, the stumpage from the cutting of timber in the entire forest reserve. We do not ask that the cutting of timber on this reserve shall be absolutely stopped; we do not expect it. It has been proven that the cutting of matured timber is of benefit to the forests.

This being the fact, we see no reason why the cutting of timber under proper restrictions and regulations prescribed by the Department of Forestry may not continue indefinitely. If this is done, the mills now in operation in Coconino County will continue to operate, and instead of being confined to a small area of their own individual holdings they will be permitted to cut from the entire forest reserve, restricted only by such regulations as in the eyes of the Department are wise for the preservation of the forests.

Then, if the stumpage can be turned over to Coconino County and become a part of her assets, this will vastly more than compensate her for any possible loss that might occur through the withdrawal of the lands under consideration.

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CORRESPONDENCE SUBSEQUENT TO HEARING.

[Telegram.]

FLAGSTAFF, ARIZ., 25th.

Hon. E. A. HITCHCOCK,  
Secretary of Interior, Washington, D. C.:

Saginaw and Manistee Lumber Company are withholding about 40,000 acres timber from relinquishment in San Francisco Reserve. This in addition to about 6 townships timber contracted to Arizona Lumber and Timber Company by Santa Fe Pacific. We are sending evidence. Please withhold final action till our papers reach you. Answer.

J. C. PHELAN,  
Chairman Board Supervisors.

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DEPARTMENT OF THE INTERIOR,  
Washington, February 26, 1901.

E. D. KENNA, Esq.,  
Vice-President and General Solicitor,  
Santa Fe Pacific Railroad Company, Chicago, Ill.

SIR: Referring to the matter of the proposed exchange of odd-numbered sections of lands adjoining the San Francisco Mountains Forest Reserves for lands situated elsewhere, I have to advise you that the Department is to-day in receipt of the following telegram:

"Saginaw and Manistee Lumber Company are withholding about 40,000 acres timber from relinquishment in San Francisco Reserve. This in addition to about six townships

timber contracted to Arizona Lumber and Timber Company by Santa Fe Pacific. We are sending evidence. Please withhold final action till our papers reach you. Answer.

"J. C. PHELAN,  
"Chairman Board Supervisors."

It has been my understanding in this matter that the relinquishment of odd-numbered sections was to include all lands within the exterior limits of the San Francisco Forest Reserves, and I request that you furnish the Department with a reply to the statements contained in the above telegram.

Very respectfully,

E. A. HITCHCOCK, *Secretary.*

FLAGSTAFF, ARIZ., *February 27, 1901.*

THE SECRETARY OF THE INTERIOR,  
*Washington, D. C.*

SIR: We have the honor herewith to inclose additional statement and argument in opposition to the proposed consolidation of the San Francisco Mountains Forest Reserve, together with a plat showing estimate of the timber on lands owned by the Saginaw and Manistee Lumber Company, and reserved from the preliminary conveyances toward the final relinquishment to the United States, and also a certified copy of the contract between the county of Coconino and the Santa Fe Pacific Railroad Company. All these papers we would like to have considered as a part of the case submitted to at the oral hearing afforded the representatives of this county on February 5 and 6, 1901, before you in Washington.

Very respectfully, yours,

BOARD OF SUPERVISORS COCONINO COUNTY, ARIZ.  
By GEO. BABBITT.  
E. S. CLARK.

FLAGSTAFF, ARIZ., *February 26, 1901.*

HON. SECRETARY OF THE INTERIOR,  
*Washington, D. C.*

SIR: As supplementary to the statements and arguments already submitted to you by the citizens and the board of supervisors of Coconino County, ARIZ., against the proposed consolidation of the San Francisco Mountains Forest Reserve, we would respectfully represent:

1. That at least one-third of all the lands within said reserve are open or "park" lands, practically devoid of timber, or are timbered with scrub cedar, juniper or pinon, classed as "nonmerchutable timber," and practically worthless except for fuel. The acreage of this class of lands within the reserve will not be far from 600,000 acres, and presumably one-half of this amount, or 300,000 acres, would fall upon odd-numbered sections.

In addition to this the sawmills operating within the reserve have, during the last eighteen years, denuded at least 100,000 acres of railroad grant lands.

This makes a total of some 400,000 acres of the grant lands that might in justice and good conscience be called nontimbered, and if the contemplated exchange is made the corporations interested should be compelled to accept in lieu thereof nontimbered lands, or, to be strictly equitable, lands of equal character and value. Instead of this, however, under the inequitable arrangement now proposed, they would be restricted to the selection of only 180,000 acres of nontimbered lands. As to all the rest, or nearly 800,000 acres, they may select anywhere within the public domain without restriction, under the act of June 4, 1897, and amendments thereto.

Should it be urged that this exchange will preserve the remaining timber in this reserve, and prevent further cutting, except under the regulations of the Interior Department, we beg leave to call attention to the fact that the Arizona Lumber and Timber Company, a large lumbering concern at Flagstaff, has a contract with the Santa Fe Pacific Railroad Company for the purchase of the timber on about six townships of the lands within the reserve, and comprising the choicest timber in the county. The lands included within this contract can not be relinquished to the United States incumbered by the contract, as a title so clouded could not be accepted. Therefore this lumber company may continue cutting at its full capacity for the next fifteen or twenty years, without restrictions and independent of Government regulations.

Further, it may not be improper to state in this connection that it is the declared purpose of the local management of the Saginaw and Manistee Lumber Company to reserve the best of their timber lands and relinquish the rest—such as it is—to the United States. We

would call attention to the certificate of the county recorder herewith, in regard to this matter, showing that this company has reserved from its relinquishment to the Government about 40,000 acres of fine timber lands within the reserve.

In addition to these lands this company also holds, as successor to the Saginaw Lumber Company, a contract with the railroad company under the terms of which it is now the owner of the timber upon 200,000 acres of land within the reserve, or so much thereof as remains uncut. These lands comprise the "Perrin tract," as it is called. Under the estimate above given of lands cut over by the sawmills during the last eighteen years the denuded acreage in this tract was placed at 40,000 acres. This is undoubtedly an underestimate, but in any event the remaining 160,000 acres are either denuded in part or are all incumbered by the terms of this contract, and we are informed that it is the purpose of the Saginaw and Manistee Company to cut the merchantable timber from the Perrin lands even though the exchange be made with the Government. And we feel warranted in saying that any portion of the Perrin tract which this company may join in relinquishing to the United States may safely be classed as either denuded or covered with timber of small value.

Furthermore, while the areas relinquished to the United States by those corporations lie in a practically solid body, and must be accepted no matter how timbered or whether timbered at all, under the terms of the act referred to, the owners may select in lieu of them just such portions of the public domain as they may desire, and in tracts as small as 40 acres. They will thus be enabled to secure the choicest portions of the best lands in the country, and reject whatever may not suit them. Presuming that the Perrin lands, which are really valuable for timber, have either been, or will be, cut over by the Saginaw and Manistee Company, these corporations will thus exchange some 380,000 acres of practically worthless lands for an equal area of the best lands they can find within Uncle Sam's domain. It is only fair to assume that, so far as possible, valuable timbered lands will be selected by them, so that instead of protecting one forest in Arizona, the exchange will result in the destruction of two—one on the San Francisco Mountains, the other wherever the lieu lands may be selected. And the corporations, who have already subjected the flower of Coconino County's timber to the ax, or who are reserving it from the proposed exchange for that purpose, and who have reaped the benefit of the revenue it has yielded, will be given an opportunity to obtain some 800,000 acres of timber elsewhere to be slaughtered—almost half of it in exchange for lands which barely yield the taxes which are so reluctantly paid upon them.

Moreover, the character of the timber of this region is such as to make any exchange for timber in the northwestern coast regions very undesirable for the Government. The timber of this reserve, even on what are classed as timbered lands, will not yield 2,500,000 feet per section on an average, while in the northwest, upon an equal acreage, it would be possible, by having the privilege of selection, to secure from three to four times that stumpage. Not only so, but whereas our timber yields an average of less than 10 per cent of clear lumber and a correspondingly small percentage of the next higher grades, the coast timbers yield from 40 to 80 per cent in clear, and a corresponding amount of the next lower grades. The immense advantages which will thus result to the corporations surrendering this timber is too obvious to require more than mention.

If it be contended that the estimates heretofore made as to the value of the grant lands is induced by prejudice on the part of your petitioners, we beg to quote from the contract made by the Santa Fe Pacific Railroad Company with the board of supervisors of Coconino County for the payment of taxes on their right of way (copy of which contract, duly certified, is submitted herewith) that company's own estimate of such value, as follows:

"Whereas said board of supervisors for said county propose to attempt to have the assessment of the grant and other lands in said county, amounting to a large number of acres, increased to a large amount by the board of equalization of said county, and

"Whereas the Santa Fe Pacific Railroad Company is contesting the right to increase the same on the ground that the value of such lands, and each and every acre thereof, is less than 15 cents per acre."

While we are not disposed to accept as final the low valuation thus placed upon these lands, we desire to call the attention of the honorable Secretary to the fact that forest-reserve scrip is selling upon the market at this time for \$3.75 to \$4 per acre. The wide discrepancy in these values, we think, may help largely to account for the zeal which the relinquishing corporations are showing in the protection of the San Francisco Mountains forest.

2. The argument was advanced by the attorney for the Santa Fe Pacific Railroad Company (Mr. Britton) at the hearing held before the Secretary of the Interior on February 6, 1901, upon the question now under discussion, that his company had long realized that the interests of the public, as well as its own interests in northern Arizona, depended upon the preservation of the forests, and that it was moved principally by this commendable philanthropy in urging the proposed consolidation. It seems to us especially deplorable that this corporation could not have been affected by this solicitude for the public weal before it sold the very heart of this forest to the man with the ax and the saw. And again it seems to us

equally deplorable that its concern for the public interest should have been manifested for the first time simultaneously with its discovery that the best and most available of its timber was already disposed of, and that under a strained interpretation of the forest-reserve law it could secure the privilege of working off its threadbare and shopworn land grant upon Uncle Sam upon its own terms and could receive in its place a brand-new empire. And it might further be pertinent to inquire why, if the professed interest in forest preservation be genuine, it would not be willing to agree not to select timber lands elsewhere in lieu of those surrendered in the San Francisco Reserve.

It was further advanced by the gentleman that even though the railroad lands within the reserve should be relinquished to the Government and thus withdrawn from the tax rolls of Coconino County that the railroad company would still be the largest taxpayer in the county in that it would still be the owner of 1,300,000 acres of lands therein, beyond the reserve limits. He neglected to inform the honorable Secretary that not one acre of this 1,300,000 acres is taxable, for the reason that it is unsurveyed, and that it will never become taxable until the Government sees fit to survey it. That it has been the policy of his company in the past to resist taxation of these lands because they were unsurveyed, and that it would continue to resist on the same grounds. Inasmuch as the whole of said 1,300,000 acres is composed of worthless and barren land, unfit even for pasturage, except in certain seasons, it is not likely that it will soon be surveyed. And considering that the railroad company has never made any particular effort to have it surveyed (it should be remembered that the company must stand one-half the expense of the survey), although it has owned it since 1866, and considering further that it is permitted to exchange its lands within the reserve, it can well afford to be indifferent as to the residue, it is not likely that it will make any violent attempt to convert the nontaxable into taxable property. And even though the lands should be surveyed within the next decade, which is highly improbable, it could not be assessed with any hope of collection for more than 5 cents per acre. Indeed that would be, under present conditions, more than its cash value. In support of this we would again refer to the statement of this company in its contract with the county as to the value of its lands within the reserve.

It seems to us, and we make the assertion advisedly, that the railroad company evinces a degree of interest in this matter that is hardly to be accounted for by its philanthropic professions. Rather, it occurs to us, does it seek to veil its real motives, which are unquestionably selfish, behind the cloak of interest in the public welfare. It has adopted the arguments of the delegation from the Salt River Valley—in fact, it has facilitated the presentation of those arguments as much as possible by furnishing that delegation with free transportation from Phoenix or some point in Arizona to the East. For what reason, may we ask, unless to obscure the real purpose of the transaction, unless to find some plausible pretext, unless groping for some specious appeal to the public opinion, in order that the light of truth may be averted from those who, because of their deeds, “love the darkness better?”

It was further urged, with considerable plausibility, by Mr. Britton that even though its reserve lands should be relinquished to the United States the railroad company would continue to pay taxes on its right of way at a valuation of \$2,500 per mile, according to its contract with the county—a contract which has only three years more to run, including the present year. If the company ever intended or now intends to pay taxes on its right of way, beyond the term of the contract, why did it expressly limit the period of payment to five years? If we may be permitted to answer this question, we would respectfully suggest that when the contract referred to was entered into the county authorities had it in their power to assess the lands of the company at a sufficient valuation to equalize the loss of the right of way, which had recently been declared exempt from taxation, upon public lands within the Territories, by the Supreme Court of the United States (172 U. S., 171–186). Realizing this, the company, in order to avert the pending increase in the valuation of its timber lands, agreed to return the right-of-way assessment at \$2,500 per mile for five years, provided the county would not raise the existing rate of 20 cents per acre upon its lands. And while the county authorities did not then understand why the contract was limited to five years, it was understood by the railroad company—and is now clear to the world—namely, that it already contemplated the relinquishment of its reserve lands, and probably felt that it could accomplish it within the five-year period. Then having enjoyed the profits of the last practicable moment of timber stumpage, having traded to Uncle Sam the only lands remaining in its grant within the county of any value, its right of way being exempt from taxation by the decision of the court of last resort, its remaining lands being unsurveyed, and therefore nontaxable, besides being worthless, what legal necessity would remain for the Santa Fe Pacific Railroad Company to pay taxes to the county of Coconino? And when did, or when will, this railroad company, or any other railroad company, pay taxes except under legal necessity? Philanthropy finds no place in the creed of the twentieth-century corporation.

It was also asserted by Mr. Britton that the railroad mileage within the reserve was only fifty-four and a fraction. Just what relevancy this statement has we are unable to perceive.

There are 106 $\frac{2}{3}$  miles of the railroad within the county, and it is all exempt from taxation, whether within or without the forest reserve. If it declines to pay on one mile, it will decline to pay on all.

3. The discussion in this case ought not to be closed without a glance at its broad equities. It should be remembered that Congress endowed the Atlantic and Pacific Railroad Company with this almost illimitable grant, which has come down to the Santa Fe Pacific Railroad Company. It was a gift taken from the heritage and birthright of the American people. This land, and no other, was granted. The company was glad to get it then—it ought to be satisfied with it now. Having received this princely grant, it ought to accept and retain it as it is. Having used and enjoyed and despoiled it for thirty-five years, it ought not now to be heard to ask for a new grant of virgin lands in its place. It has reaped almost the full benefit of the worth of its earlier grant, and now desires to exchange this worthless land for another grant of even greater value than that first received, thus obtaining as subsidy double the amount which Congress originally bestowed.

The rights of the American people in the public domain were disregarded when the original grant was made; but Congress at least limited it to certain fixed bounds in certain territories, and it knew what it was bestowing. Its intention was that the Atlantic and Pacific Railroad Company should have just the lands granted, no others. It never entertained, nor would it for a moment have tolerated, the idea that this company or its successors were to have an option by which they might select the choicest of the public lands. Had the lightest breath of such a suspicion touched the Congress of 1866, the land-grant measure would have perished under the lightning of indignant opposition. The heat of popular resentment would have consumed it root and branch. Yet at the opening of the new century we see this corporation and its corporate grantees standing almost within the shadow of the Capitol whence this splendid dowry emanated, begging—yea, demanding—that America take back the million acres she once gave so freely, now that it is denuded and impoverished, and in lieu thereof that she open wide the gates of the public domain that they and their grantees may have license to further ravage it for their gain. The public domain is a public trust. Shall it thus be pillaged, and are the sons and daughters of this nation thus to be despoiled of their right and hope of home and hearthstone? It may so be written—it may thus be “nominated in the bond;” but we believe if it is done it will be done contrary to the dictates of either sound judgment or of justice.

The Government has expended thousands of dollars and employed scores of men in the endeavor to prevent fraud in the selection of lands under the homestead law. It has at this moment an agent in this forest examining homestead entries. We make no complaint of this, but on the contrary believe it to be right. But to what purpose is this care in small matters exercised if the interests thus conserved are to be later sacrificed wholesale at the behest of corporate greed, and with not even the small return to the Government which is represented by the payment of homestead fees?

Again, the law under which this corporation and its grantees are seeking this exchange was enacted by Congress for the relief of individual settlers whose rights might be infringed by the creation of forest reserves. It did not contemplate any such exchange as the proposed one, and it is safe to say that the law would have been properly safeguarded against it if such a thing had been dreamed of. As it is, the law has already been perverted to secure valuable timbered or oil or agricultural lands for the speculator and the investor, while the settlers have received but the minimum of benefit from its operation. It is now proposed to so broaden its application that any railroad company anywhere that is dissatisfied with that portion of its land grant which may fall within the exterior boundaries of a forest reservation, or that may wish to enhance the value of its grant as a whole, may surrender such portions as it may elect from the part so situated (and these will always be the most worthless lands) and obtain in lieu thereof the most valuable lands within the public domain. There will thus be a double injustice inflicted upon the Government, in addition to that inflicted upon intending settlers. First, having paid the full consideration for the building of these railroads at the outset, it will now be compelled to pay an additional and a very heavy consideration, without any return whatever; second, it will be compelled to submit to a disadvantageous exchange which will tend directly to the destruction of its remaining forests.

4. Further, the law of 1891, conferring upon the President the power of setting apart forest reserves, contains a limitation upon his authority, which we think will be clearly exceeded should an order issue covering these grant lands into the reserve. The law provides (sec. 24) “That the President of the United States may, from time to time, set apart and reserve, in any State or Territory having public lands bearing forests, in any part of the public lands wholly or in part covered with timber or undergrowth \* \* \* as public reservations,” etc. Under this act the President may create forest reserves only out of the public lands, and if it shall chance that a homestead shall occur here and there, provision is made for their exchange in the act of June 4, 1897. But he may not set apart a reserve consisting wholly of private lands; nor can he, as may be attempted in this case, add to a reserve already created lands wholly in private ownership. The law, under its most liberal construction

grants him no such power. He has in fact already touched the limit of his power in setting apart the even-numbered sections within the reserve, as they are the only public lands within its limits. If it should be argued that the odd-numbered sections will become public lands upon their relinquishment, we reply that such an argument is evasive, it being manifest that such relinquishment would not be made in the absence of an agreement that the reserve should be made to cover the lands and that lieu lands should be given therefor.

5. But if the proposed consolidation of the San Francisco Mountain reserve should finally be made upon some equitable basis, we desire to respectfully protest against the exclusion of stock from such reservation. The stockmen of this region have spent the best years of their lives in building up this industry, and it would inflict great hardship and incalculable injustice upon them if they were now to be deprived of the fruits or much of the fruits of their labor. These men have been the pioneers of this region who have "blazed the way for an advancing civilization," and it surely is not the policy of the Government to deprive the men who have endured the deprivations of frontier life to create new commonwealths of the little possessions they may have accumulated.

Further, the stock interests constitute the backbone of the commercial prosperity of the county and furnish one of its largest available assets for purposes of taxation. To deprive the community of the revenue it derives from this source would mean the practical extinction of three-fourths of the business houses and would bring bankruptcy to the county, especially when it would follow the withdrawal from taxation of the lands which would be surrendered to the Government.

If it be contended that the preservation of the forest and of the watershed demands the exclusion of stock, we beg leave to demur to this statement as at least not proven; and it is the candid opinion of men who have spent most of their lives in this region, and who have made the matter a subject of study and observation, that the exclusion of stock from these forests, so far from tending to conserve them, would tend directly to their more rapid destruction. Our opponents may attribute these views to self-interest, but there is at least this to be said in their favor, that they are founded upon actual observation and experience and not upon theories evolved in the laboratory or upon experiments made under totally different conditions. We are as desirous as anyone that these forests should be preserved from wanton destruction, and would recommend that the grazing of stock within the reserves should be allowed under such regulations and restrictions as to the Government may seem proper; and we are entirely willing that such regulations may be enforced within the forests of northern Arizona as may be warranted by the reports made thereon by Messrs. Pinchot and Coville of the Bureau of Forestry, after their recent examination.

We desire also to say a word in regard to the effect of stock grazing and lumbering upon the watershed. The people of the Salt River Valley have contended that by reason of these two industries in the San Francisco Mountains their water supply has been seriously curtailed and the agricultural interests of that region have thus been greatly injured. We deny this contention and maintain that there is no support in fact for it. In the first place, the watershed of this region is mainly to the north, and thence into the Colorado River. Then in spite of the severe drought of the past three years, the only streams flowing from underground sources in this plateau which finally reach the Salt River Valley have not greatly diminished their flow. And finally, whatever may have been the result of grazing and lumbering on the northern watershed, a carefully compiled report covering a period of unusual precipitation last spring discloses the fact that but little rise was occasioned thereby in the Verde River or any of its tributaries.

On the other hand, the facts demonstrate that the reasons for the scarcity of water complained of by the Phoenix ranchers in recent years are, broadly speaking, three in number: First, the drought which has prevailed with more or less severity for six or seven years, and which for the past three years has been especially severe. This latter period has seen a drought almost unequaled in the history of the Territory, reducing both snow and rainfall almost to the vanishing point, and one certainly unequaled since irrigation has been so extensively practiced in the Salt River region, and which was preceded by several years of comparative drought; second, the large number of small ranchers who have come in and taken up water upon the various tributaries of the Salt River, above the Phoenix locality; and third, and by far the most important of all the reasons named, the sale of water rights by the canal companies of Phoenix far in excess of the normal supply.

Reference has been made in the arguments of the Salt River people, at various times to the records of the Government station at Phoenix, which show a constantly decreasing water supply for the valley for the past seven years. They fail to state, however, that with the exception of two of these years, 1894 and 1896, this was a period of unusual drought, as stated above. But further and especially they fail to say anything about the sale of water rights already referred to. It is a fact, however, that as far back as the winter of 1894-95 one of the employees of a canal company in Phoenix informed a reputable citizen of Flagstaff that the companies had then contracted to deliver more water than they could hope to deliver during the summer months of a dry year, and that it would be

difficult for them to meet the demand even in an average year. Nevertheless, the sale of water rights has gone steadily on as fast as victims could be secured, and now that the number of consumers has become so great that no one can secure half water enough, and the conditions have been accentuated by drought, these promoters seek to evade the responsibility of their actions and the odium of their duplicity by making scapegoats of the sheep and lumber industries of the north. We respectfully suggest that full investigation of this matter be made before any ruling be promulgated prohibiting the grazing of stock in these forests.

In conclusion, permit us to simply say, in view of the foregoing and other arguments submitted for your consideration, that it seems to us that the proposed exchange will result in a great injustice to the Government, while conferring an immense and altogether unmerited advantage upon the corporations making the exchange; that such advantage will be conferred at the sacrifice of both the public and private interests of Coconino County and to the direct injury of intending settlers upon the public domain, as well as to the destruction of the existing forest areas of the country. And if such exchange shall be made and be followed by an order excluding stock from these forests, it will mean practical ruin to the majority of property owners in this vicinity, and practical extinction for this county. We can not believe the Government will sanction a course of action so disastrous to the well being of any community, and we desire to most respectfully but most earnestly protest against its doing so.

One correction should be made in a statement made at the hearing had before the honorable Secretary on February 5, 1901. By inadvertence the representatives of Coconino County stated that the revenues from the water system of Flagstaff amounted to about \$20,000 per annum. This we beg leave now to say should have been stated as only about \$11,000. The water revenues fall so far short of paying the interest and operating expenses on the system, that 40 per cent of the property tax levied by the town government is devoted to meeting the deficiency.

Renewing our petition that the proposed consolidation shall not be effected, we  
to subscribe ourselves,

Most respectfully, yours,

BOARD OF SUPERVISORS, COCONINO COUNTY, ARIZ.,  
By GEO. BABBITT.  
E. S. CLARK.

TERRITORY OF ARIZONA,  
*County of Coconino, ss:*

I, H. C. Hibben, county recorder in and for the county of Coconino, Territory of Arizona, and custodian of the records of said office, do hereby certify that on the 14th day of February, A. D. 1901, there was filed for record in my office a certain deed from the Saginaw and Manistee Lumber Company, a corporation, to William F. Baker (president of said company), dated October 25, 1900, and recorded in Book 9 of Deeds, page 160, of the records of my said office. That said deed conveys a large tract of the lands of said company, situated within the San Francisco Mountains Forest Reserve; but that the following-described sections, the title to which appears of record as in said company are not included in said deed but have been reserved by said company (except certain portions of some of the sections described) so far as the records of this office disclose. That each and all of the sections and parts of sections so reserved are shown by the plat hereto attached to be timber-bearing lands, and comprise practically all of the timbered lands of said company. That said plat is a plat of the lands formerly owned by the Arizona Cattle Company, and sets forth an estimate of the timber on the lands of the said company which have since been purchased by the Saginaw and Manistee Lumber Company. That said estimate and plat were made by James A. Lamport, a surveyor and practical timber estimator, in November, 1897, as an employee of the county of Coconino, and is a true copy of the original thereof on file in this office. That the figures shown on the various sections (excepting section numbers) refer to and mean the number of thousands of feet of timber thereon. That the sections so reserved in said conveyance to W. F. Baker (either in whole or in part) are described as follows, to wit:



Explanation:-

No estimates made less than 50,000

Total approximate estimate 181,000,000 ft.

Scale 1 Mile = 1 Inch.

Estimated by James A. Larpont  
November 1897.

# Plat of Arizona Cattle Company's Land Grant.

R. 5 E. G. & S. B. M.

R. 6 E.

R. 7 E.

25 N.												24 N.		
6	5	4	3	2	1	6	5	4	3	2	1	6	5	4
7	8	9	10	11	12	7	8	9	10	11	12	7	8	9
18	17	16	15	14	13	18	17 Cedar Ranch Spring	16	15	14	13	18	17	16
19	20	21	22	23	24	19 Spring	20	21	22	23	24	19	20	21
30	29	28	27	26	25	30	29	28	27	26	25	30	29	28
31	32	33	34	35	36	31	32	33	34	35	36	31	32	33
24 N.												23 N.		
6	5	4	3	2	1	6	5	4	3	2	1	6	5	4
7	8	9	10	11	12	7	8	9	10	11	12	7	8	9
18	17	16	15	14	13	18	17	16	15	14	13	18	17	16
1,000	20	3,000	22	2,400	24	2,300	20	2,000	22	1,500	24	1,800	20	21
30	29	28	27	26	25	30	29	28	27	26	25	30	29	28
1,000	32	33	34	35	36	1,700	32	3,600	34	400	36	2,700	32	3,200
6	5	4	3	2	1	6	5	4	3	2	1	6	5	4
7	8	9	10	11	12	7	8	9	10	11	12	7	8	9
1,000	300	300	10	250	12	2,900	8	1,700	9	1,500	12	1,200	7	900
23 N.												22 N.		

T. 23 N

18	4,300 17	16	2,400 15	14	2,600 13	18	1,500 17	16	1,100 15	14 Little Springs	850 13	18	17	16
1,800 19	20	2,000 21	22	2700 23	24	2,500 19	20	500 21	22	23	24	19	20	21
30	2,000 29	28	450 27	26	2,100 25	30	1,700 29	28	400 27	26	25	30	29	28
1,50 31	32	33	34	2,500 35 Reel Tank	36	3,400 31	32	2,300 33	34	35	36	31	32	33
6	5	4	2,000 3	2	2,500 1	6	2,700 5	4	2,300 3	2	1	6	5	4
7	8	2,500 9	0	2,000 11	12	2,500 7	8	3,500 9	10	2,200 11	12	7	8	9
18	2,000 17	16	2,000 15	14	4,000 13	18	3,500 17	16	1,500 15	14 LE ROUX Springs	1,500 13	18	17	16
2,500 19	20	2,550 21	12	2,300 23	24	2,800 19	20	21	22	400 23	24	800 19	20	700 21
30	1,500 29	28	1,000 27	26	1,400 25	30	2,100 29	28	200 27 Mill Springs	600 26	25	30	29	28
400 31	32	400 33	34	300 35	36	800 31	32	33	34	1,700 35	36	500 31	32	500 33
6	5	4	3	2 Billings	1	6	5	4	3	2	1	6	5 300 Springs	4
7	8	9	10	11	12	500 7	8	9	10	11	12	175 7	8	250 9
18	17	16	15	14	13	18	17	16	600 15	4 13	200 13	18	17	16
19	20	21	22	23	24	19	20	21	22	23	24	19	20	21
30	29	28	27	26	25	30	29	28	27	26	25	30	29	28
31	32	33	34	35	36	31	32	33	34	35	36	31	32	33

Jack Smith  
Spring

T. 22 N

FLAG STAFF

T. 21 N



In township 24 north, range 7 east:

Section 19, 1,800,000 feet.  
Section 29, 700,000 feet.  
Section 31, 2,100,000 feet.  
Section 33, 1,200,000 feet.

In township 24 north, range 6 east:

Section 13, 1,600,000 feet.  
Section 15, 1,700,000 feet.  
Section 17, 1,500,000 feet.  
Section 21, 2,100,000 feet.  
Section 23, 1,500,000 feet.  
Section 25, 800,000 feet.  
Section 27, 1,800,000 feet.  
Section 29, 2,350,000 feet.  
Section 31, 1,700,000 feet.  
Section 33, 3,500,000 feet.

In township 24 north, range 5 east:

Section 15, 1,700,000 feet.  
Section 23, 2,400,000 feet.  
Section 25, 2,400,000 feet.

In township 24 north, range 8 east:

Section 35, 800,000 feet.

In township 23 north, range 6 east:

Section 1, 1,400,000 feet.  
Section 3, 300,000 feet.  
Section 5, 2,100,000 feet.  
Section 7, 2,900,000 feet.  
Section 9, 1,700,000 feet.  
Section 11, 1,500,000 feet.  
Section 15, 1,100,000 feet.  
Section 17, 1,500,000 feet.  
Section 19, 2,500,000 feet.  
Section 29, 1,700,000 feet.  
Section 31, 3,400,000 feet.  
Section 33, 2,300,000 feet.

In township 23 north, range 5 east:

Section 1, 1,200,000 feet.  
Section 13, 2,600,000 feet.  
Section 15, 2,400,000 feet.  
Section 17, 4,300,000 feet.

In township 23 north, range 5 east:

Section 19, 1,800,000 feet.  
Section 21, 2,000,000 feet.  
Section 23, 2,700,000 feet.  
Section 25, 2,100,000 feet.  
Section 27, 450,000 feet.  
Section 29, 2,000,000 feet.  
Section 35, 2,500,000 feet.

In township 22 north, range 7 east:

Section 17, 500,000 feet.

In township 22 north, range 6 east:

Section 3, 2,300,000 feet.  
Section 5, 2,700,000 feet.  
Section 7, 2,500,000 feet.  
Section 9, 3,500,000 feet.  
Section 11, 2,200,000 feet.  
Section 13, 1,500,000 feet.  
Section 15, 1,500,000 feet.  
Section 17, 3,500,000 feet.  
Section 19, 2,800,000 feet.  
Section 23, 400,000 feet.  
Section 25, 600,000 feet.  
Section 29, 2,100,000 feet.  
Section 31, 800,000 feet.  
Section 35, 1,700,000 feet.

In township 22 north, range 5 east:

Section 1, 2,500,000 feet.  
Section 3, 2,000,000 feet.  
Section 13, 4,000,000 feet.  
Section 15, 2,000,000 feet.  
Section 17, 2,000,000 feet.  
Section 19, 2,500,000 feet.  
Section 21, 2,550,000 feet.  
Section 23, 2,300,000 feet.  
Section 25, 1,400,000 feet.  
Section 27, 1,000,000 feet.  
Section 31, 400,000 feet.  
Section 33, 400,000 feet.  
Section 35, 300,000 feet.

Witness my hand and official seal this 27th day of February, A. D. 1901.

[County seal.]

HARRY C. HIBBEN,  
*County Recorder, Coconino County, Ariz.*

[10-cent internal revenue stamp.]

TERRITORY OF ARIZONA,

*County of Coconino, ss:*

I, H. C. Hibben, county recorder in and for the county of Coconino, Territory of Arizona, do hereby certify that the within and following instrument is a true, full, correct, and complete copy of the contract between the Santa Fe Pacific Railroad Company and the county of Coconino, in compromise of taxes, dated July 17, 1899, now on file in my said office.

Witness my hand and official seal this 27th day of February, A. D. 1901.

HARRY C. HIBBEN,  
*County Recorder, Coconino County, Ariz.*

County seal.]

10-cent revenue stamp.]

CONTRACT NO. 1702.

ASST. SECRETARY S. F. P. R. R. Co., *Los Angeles:*

Whereas the Atlantic and Pacific Railroad Company, incorporated under the act of Congress approved July 27th, 1866, owned a right of way two hundred feet in width, including all necessary grounds for station buildings, workshops, depots, machine shops, switches, side tracks, turntables, and water stations, with its superstructure built thereon, running

through the counties of Apache, Navajo, Coconino, Yavapai, and Mohave, in the Territory of Arizona, a distance of about three hundred and eighty-six miles; and

Whereas this right of way, with other property, was mortgaged by the Atlantic and Pacific Railroad Company to the United States Trust Company of New York, as trustee, under the act of Congress approved April 20, 1871; and

Whereas subsequently such mortgage was foreclosed in the district court of the fourth judicial district of the Territory of Arizona, and in other courts through the jurisdiction of which said railroad runs; and

Whereas all the property of the Atlantic and Pacific Railroad Company, including said right of way in the Territory of Arizona, was, in April, 1897, sold to Aldace F. Walker, R. Somers Hayes, and Victor Morawetz, for the Santa Fe Pacific Railroad Company, incorporated under the act of Congress approved March 3, 1897; and

Whereas said sale was subsequently confirmed by all of the courts in which said foreclosures were pending, and a deed executed to said purchasers for said property, including said right of way and station grounds, etc.; and

Whereas subsequently said purchasers transferred and conveyed all of said property, including said right of way, station grounds, etc., to the Santa Fe Pacific Railroad Company, which is now, and ever since has been, the owner and in possession thereof; and

Whereas, in December, 1898, the Supreme Court of the United States determined that the right of way, station grounds, etc., of the Santa Fe Pacific Railroad Company through the public lands of the United States in the Territories of the United States was exempt from taxation; and

Whereas said right of way, station grounds, and everything that the Territorial board of equalization of Arizona had the right to assess (except for said exemption) as belonging to railroads operated in Arizona was assessed by said board of equalization in the year 1898 at the valuation of \$5,000.00 per mile for each mile in the Territory of Arizona; and

Whereas said Territorial board of equalization for the year 1899 has assessed the same property belonging to the Santa Fe Pacific Railroad Company at the same rate per mile in the Territory of Arizona; and

Whereas the Santa Fe Pacific Railroad Company has refused to pay any taxes upon the property assessed by said board of equalization in 1898, save and except upon its rolling stock, and intends to refuse to pay taxes upon such assessment for the present year, except as hereinafter stated; and

Whereas the Santa Fe Pacific Railroad Company, as the successor of the Atlantic and Pacific Railroad Company, is the owner of a large land grant acquired under the terms of the act of July 27th, 1866, and also lands since purchased situated in the counties named; and

Whereas there is about 106,660 miles of said right of way and its accessories of said railroad in Coconino County, in said Territory; and

Whereas the board of supervisors of said county claim and demand the taxes levied upon the assessment of said right of way for 1898, amounting to the sum of \$18,645.50, \$2,824.52 paid on the rolling stock; and

Whereas said board of supervisors for said county propose to attempt to have the assessment of the grant and other lands in said county, amounting to a large number of acres, increased to a large amount by the board of equalization of said county; and

Whereas the Santa Fe Pacific Railroad Company is contesting the right to increase the same, on the ground that the value of such lands, and each and every acre thereof, is less than fifteen cents per acre; and

Whereas the railroad company and the board of supervisors of said county have agreed to compromise their differences upon a basis which involves the payment of one-half of the taxes levied upon the assessment of the right of way through said county for the year 1898, less the amount paid upon the rolling stock, and also involves the agreement that said right of way and everything that the Territorial board of equalization might assess under the law, except for the claimed exemption, through said county for five years, including this year, shall be taxed only on the basis of the actual value for taxation of \$2,500 per mile, and that the railroad company shall pay taxes based on such assessment; and upon the further agreement of said county board that all of the lands, other than city or town lots, within the limits of said county shall not be assessed at any greater sum than twenty cents per acre during any one of said years, or if assessed at any greater sum, that the railroad company shall only be taxed upon the basis of an assessment of twenty cents per acre; and involves, also, the agreement of the parties that the legal rights of the railroad company to an exemption shall not be deemed, by this compromise, to have been waived in any way, shape, or manner, and that on the failure on the part of the county to keep this agreement fully, in letter and spirit, the railroad company shall have the right to claim its exemption from the date hereof, and to assert such right in any and all proceedings it may see fit to institute:

Now, therefore, know all men by these presents, That the county of Coconino, in the Territory of Arizona, through its board of supervisors, as the party of the first part, and

the Santa Fe Pacific Railroad Company (and its assigns), a corporation, as party of the second part, agree to and with each other, as and for a full compromise of all disputed questions of taxation above recited, and for divers other good considerations hereinafter stated and set forth, as follows, to wit:

## FIRST.

The party of the first part hereby agrees to and with the second party to accept and receive from the Santa Fe Pacific Railroad Company, in addition to the taxes already paid by it for 1898, the sum of \$6,498.23 in full settlement and payment of any and all taxes levied or assessed against any of the property of said railroad company in said county for the year 1898.

## SECOND.

The party of the first part further agrees to and with the party of the second part and its assigns that it will this year, and for each one of the next four ensuing years, accept in full payment and satisfaction of any and all taxes which may be levied upon any assessment made by the Territorial board of equalization of the property of the Santa Fe Pacific Railroad Company, or its assigns, in said county, a sum equal to an amount which would be produced by a levy of all taxes in any year upon an assessed valuation of \$2,500 per mile of the right of way of said railroad company in said county, including all the property of said railroad which the said Territorial board of equalization would have the right to assess under the present laws of the Territory. And it is further agreed that if there should be any change in the laws of Arizona so that the Territorial board of equalization should have a greater or less jurisdiction, or no jurisdiction at all, to assess any railroad property, that the property of the railroad company which the said Territorial board of equalization could now assess (were it not for such exemption as claimed by the railroad company), including its rolling stock, shall be assessed at no greater amount than at the rate of \$2,500 per mile for each mile in said county; and if assessed at any greater rate by any person or board, that the said railroad company, or its assigns, shall not be required or compelled to pay any other or greater sum than an amount equal to a levy based upon a valuation of \$2,500 per mile of said right of way in said county, it being the full intent of each of the parties hereto that all property of said railroad company in said county which the Territorial board of equalization is under the present law given the right to assess shall only be assessed at \$2,500 per mile for each mile of right of way of said railroad company in said county for the time covered by this agreement, and that if any greater assessment is ever made the company shall only be required to pay taxes upon such assessment of \$2,500 per mile.

## THIRD.

The party of the first part further agrees that it will cause everything to be done in its power to procure the Territorial board of equalization, for the next ensuing four years, to make the assessment of the property of the railroad company which said board can assess in said Territory, so far as it affects said county, at \$2,500 per mile, and that if not successful in procuring an assessment on that basis that it will accept and receive all taxes which may be levied upon the assessment of such property of said railroad company as the present law authorizes the Territorial board of equalization to assess, which may hereafter be made by any board or authorized assessor, on the basis of an assessment at the rate of \$2,500 per mile for each mile of right of way in said county for this and each year during said four ensuing years, regardless of what such board or authorized assessor may fix the assessment at.

## FOURTH.

That said first party will procure the assessment of all the taxable lands belonging to said railroad company in said county, other than city or town lots and right of way, to be reduced to a sum not greater than twenty cents per acre for each and every acre for this and during each of the four ensuing years hereafter, and that said company shall not be required for this or any one of the next ensuing four years to pay any taxes upon any of its lands in said county, outside of city and town lots, right of way, station grounds, etc., on any greater assessment than that of twenty cents per acre, regardless of the actual assessments of said lands, in this or any one of the next ensuing four years.

## FIFTH.

That the first party further agrees with second party that the rate of taxation for this and each of the four ensuing years shall be fair and equal to the railroad company without any discrimination against it whatever, and there shall be no manipulation of any kind to reduce valuations of any of the other property in said county, or of any class of properties,

for the purpose of increasing the taxes to be paid by said railroad company, or an effort or attempt made to in any way increase or make an unfair proportion of taxes to be paid by said railroad company.

## SIXTH.

The Santa Fe Pacific Railroad Company, for and in consideration of the hereinabove recited agreements, and other diverse good considerations, as and for a compromise of the controversy existing between the said county and itself, concerning the exemption of its right of way from taxation, and as to the assessable value of its grant lands, agrees to pay to the county treasurer of said county within 30 days from the date of the execution of this agreement the sum of \$6,498.23 as the full and complete balance due to said county for any and all taxes which may have been levied upon any of its property therein during and for the year 1898.

## SEVENTH.

That it will hereafter this year and for each of the four ensuing years, pay all legal taxes levied in said county upon the assessment of all of its property which the Territorial board of equalization can assess under the present Territorial statute, were it not for the claimed exemption, on the basis of a levy upon a valuation of \$2,500 per mile upon its right of way, which shall be accepted and received by the county and its municipalities in full payment for the taxes levied on that property only, regardless of what the assessment is, or in the future may be, by the Territorial board, or any other assessing board or body.

## EIGHTH.

That the second party will promptly pay, and at the times required by law, all legal taxes assessed upon an assessment of its lands, in said county, provided said assessment is not above twenty cents per acre in value on all lands other than city and town lots, and right of way.

## NINTH.

It is mutually agreed by and between each of the parties hereto, that these agreements are mutual, and each based upon the promises and agreements of the other, and that a violation by either party of the agreement herein contained shall give to the other party the right to repudiate and rescind this contract, and to treat it as though it had never been.

## TENTH.

It is further mutually agreed by and between the parties hereto, that this compromise shall not in any case, or under any circumstances, or at any time or places, be construed or deemed a waiver on the part of the Santa Fe Pacific Railroad Company of any of its legal rights, or the right to claim for itself complete and entire exemption of its right of way and station ground and other property exempted by the second section of the act of Congress approved July 27th, 1866, upon the failure of the board of supervisors to keep any of its promises and agreements herein contained, and that at the end of the five years herein provided for when this contract shall cease, that the said Santa Fe Pacific Railroad Company shall not be deemed by the county of Coconino or its board of supervisors, or any one of them, or on its behalf, to have in any degree or in the slightest possible way, waived its right to its exemption, as claimed by it, and as hereinabove stated and set forth, but that this agreement shall be considered simply and only a compromise of disputed legal rights on each behalf for the period named to avoid litigation during such period, and if at the end of five years each party has fully kept and performed its agreements herein, or has broken the same in whole or in part, no future rights or liability shall be predicated upon this agreement for or on behalf or against either party.

## ELEVENTH.

It is further agreed that the party of the first part shall do all in its power to procure at the next session of the Arizona legislature an act to be passed ratifying and confirming this contract.

## TWELFTH.

It is further mutually agreed that in case the Santa Fe Pacific Railroad Company, at any time during the life of this contract, shall be compelled legally to pay taxes upon any of its lands in said county, other than city and town lots, right of way or station grounds, on a basis of any greater assessment than that of twenty cents per acre, that then and in such case it shall have the right to demand and receive from the first party as liquidated damages agreed upon by the parties hereto an amount of money equal to the amount paid by the second party to the first party, or its treasurer, for the year preceding upon the assess-

ment of its property which the Territorial board of equalization has jurisdiction to now assess, and which is herein agreed shall be assessed at not to exceed \$2,500 per mile for each mile of its right of way in said county.

## THIRTEENTH.

It is further agreed that the taxes to be paid on the right of way on a basis of valuation of \$2,500 per mile of right of way shall not exceed fifty per cent of the total tax levied upon such right of way for the year 1898, on a valuation of \$5,000 per mile of said right of way.

In testimony whereof the parties hereto have hereunto set their hand this 17 day of July, 1899.

J. C. PHELAN,  
*Chairman Board Supervisors, Coconino County, Arizona.*

Attest:

T. E. PULLIAM,  
*County Clerk.*

[Supervisors' seal  
Coconino Co.]

E. P. RIPLEY,  
*President Santa Fe Pacific Railroad Company.*

Attest:

G. HOLTERHOFF, Jr.,  
*Assistant Secretary.*

[S. F. P. R. R. Co. seal.]

This contract is approved as to its form.

C. N. STERRY,  
*Solicitor for California.*

E. D. KENNA,  
*General Socr.*

FLAGSTAFF, ARIZ., *May 14, 1901.*

The honorable the SECRETARY OF THE INTERIOR,  
*Washington, D. C.*

SIR: The board of supervisors of Coconino County, Ariz., beg leave to call your attention to the inclosed statement respecting the San Francisco Mountains and Grand Canyon Forest Reserves, and especially to that portion of the inclosure relating to the Grand Canyon Reserve.

A copy of the within has been handed to the President.

Very respectfully, yours,

J. C. PHELAN, *Chairman.*

FLAGSTAFF, ARIZ., *May 6, 1901.*

To the SECRETARY OF THE INTERIOR:

Your petitioners, the citizens of Coconino County, Ariz., by and through the board of supervisors of said county, beg leave to represent:

## I.

That by act of Congress of July, 1866 (14 Stat. L., 292), the Atlantic and Pacific Railroad Company was granted a large tract of land in the Territory of Arizona and elsewhere along its proposed route to the extent of the alternate odd-numbered sections for forty miles on each side of the said proposed railroad. The railroad has since been constructed, and traverses the county of Coconino from east to west, there being 106.66 miles of said road within said county. By act of March 3, 1897, all the grants, rights, privileges, and exemptions accruing to the Atlantic and Pacific Railroad Company were vested in the Santa Fe Pacific Railroad Company, which is now the owner and holder thereof. Under the provisions of said acts of Congress and by decisions of the Supreme Court of the United States (172 U. S., 171; 172 U. S., 186) the right of way of said railroad is declared to be exempt from taxation within the Territories.

## II.

The said railroad company is now, and for a number of years past has been, paying taxes on the surveyed lands of its said grant within said county, to the extent of 301,543 acres (somewhat less than one-fourth of its entire acreage therein, the balance being unsurveyed,

the railroad company for that reason refusing to pay taxes upon it), at a valuation of 20 cents per acre. It is also paying taxes upon its right of way therein upon a valuation of \$2,500 per mile, under a contract with the board of supervisors of said county, wherein it is provided that in consideration of the taxation of said right of way at the valuation aforesaid the county will not tax the grant lands of said company upon a greater valuation than 20 cents per acre. The term of the contract mentioned is five years, the current year being the third thereof. In view of the fact, however, that the last session of the legislative assembly of Arizona enacted a law providing that lands of the character of these grant lands should not be assessed for taxation at less than 75 cents per acre, said railroad company is now threatening to absolutely refuse further payment of taxes upon its said right of way.

### III.

By Executive order of August 17, 1898, there were established in the county of Coconino the "San Francisco Mountains Forest Reserves," which reserves were, by express terms, limited to the even-numbered, or public lands, sections of the townships mentioned in said Executive order, said reserves being wholly within the limits of the land grant of the railroad company aforesaid. The reason for excluding from the reserves so created the odd-numbered sections is found in the law authorizing the creating of forest reservations (act of March 3, 1891, 26 Stat. L., p. 1095), section 24 of which reads as follows:

"That the President of the United States may, from time to time, set apart and reserve, in any State or Territory having public lands bearing forests, in any part of the public lands wholly or in part covered with timber or undergrowth, whether of commercial value or not, as public reservations; and the President shall, by public proclamation, declare the establishment of such reservations and the limits thereof."

Inasmuch as the authority of the President in creating forest reservations is restricted to the public lands, and as all the odd-numbered sections in the townships affected by said Executive order of August 17, 1898, were private lands, it is obvious that the Executive then considered that he had no power whatever to include within the reserves the lands in private ownership; particularly as such lands, alternating in checkerboard arrangement with the Government sections, comprise one-half of every township included within the order. A further reason for limiting this order to the even-numbered sections appears in the report of the Commissioner of the General Land Office for 1899, in which it is stated (p. 96):

"In creating the new reservations in Arizona the region which includes lands falling within the grant to the Atlantic and Pacific Railroad was set apart in a proclamation which reserved in express terms the even-numbered sections only in each township, thus making a separate reservation of each even-numbered section, all of which were grouped together under the general name of the San Francisco Mountains Forest Reserves. This action was taken to guard against any complications that might arise from the inclusion of a large area of railroad lands, since, as pointed out in my last annual report, the provision of the act of June 4, 1897 (30 Stat., 34-36), for the selection of lieu lands for relinquished tracts in forest reserves *is being largely taken advantage of in a speculative way* by the holders of tracts acquired by purchase from railroad corporations and others."

Thus it will be seen that the principal object of restricting the reserves aforesaid to the even-numbered or Government sections was to prevent the railroad company or its grantees from relinquishing the odd-numbered sections to the United States, and selecting and securing in lieu thereof their choice of any unappropriated nonmineral lands remaining in the public domain.

### IV.

In January, 1901, the Santa Fe Pacific Railroad Company and its grantees, William F. Baker, E. B. Perrin, and Robert Perrin, made the following proposition to the Secretary of the Interior:

Hon. E. A. HITCHCOCK, *Secretary of the Interior.*

SIR: If the President of the United States, by proclamation, shall immediately extend the limits of the San Francisco Mountains Forest Reserve so as to include all of the odd-numbered sections now owned by us falling within the present exterior limits of such reserves we, the undersigned holders of title to such odd-numbered sections, hereby agree to surrender to the United States our titles in such forest reserve under the act of June 4, 1897, on the following basis: One hundred and eighty thousand acres of our said present holdings to be exchanged for nontimbered public lands lying south of the thirty-seventh standard parallel of latitude and south of the Tchichipa range of mountains, and the remainder of our lands in said enlarged reservation to be exchanged by us under said act of June 4, 1897, and amendments thereto, without any other restrictions whatsoever on the part of the Santa Fe Pacific Railroad Company, it being understood, however, that the company will not be expected to surrender any lands needed to be retained by it for railroad purposes, and such

purposes being understood to include rights of way of all kinds, station grounds, pumping stations, dams, reservoir sites, stone quarries, deposits of cinders, gravel, or other material for ballast, and also other land needed for railroad purposes, but not including lands held solely for the timber thereon.

This proposition is made with the further understanding that, in case of its acceptance, the Government will, in every reasonable way, so expedite all necessary surveys and approval thereof and the issuance of patent to the railroad company as to enable said company and the undersigned holders of title under its grant to carry out this agreement.

E. D. KENNA,  
*Vice-President and General Solicitor,*  
*Santa Fe Pacific Railroad Company.*

WILLIAM F. BAKER,  
E. B. PERRIN,  
ROBERT PERRIN,  
By E. B. PERRIN, *Attorney in Fact.*

Approved, and the Commissioner of the General Land Office will carry the above into immediate effect.

E. A. HITCHCOCK, *Secretary.*

Your petitioners respectfully beg leave to protest against the making of the order extending the limits of said reserves, as requested in the above agreement (the effect of which order, if made, will not be to extend the limits of the present reserves, but simply to consolidate them), for the following reasons:

First. There is no warrant or authority of law for the proposed action, either in the law of 1891 or elsewhere. The authority of the Executive in establishing forest reservations, as has already been pointed out, is limited to the public lands. If any order should now be made for the purpose of consolidating said reserve, it would operate and have effect only on private lands. The limit of the President's authority was reached, so far as these reserves are concerned, on August 17, 1898, when he set apart the even-numbered sections, or public lands, in the townships affected by the order. To go farther at this time, and, as is proposed by the railroad company and its grantees, "extend the limits of said reserves so as to include all the odd-numbered sections," would be to clearly transcend the power granted by Congress. It is superfluous to state that your petitioners do not for a moment entertain the idea that the President of the United States would tolerate the merest suggestion of such action. At the same time, we recognize the possibility that an order accomplishing all that is purported in the agreement above set out, might be so skillfully worded as to appear to be entirely within the law of 1891, and yet relate entirely to lands over which the President has no jurisdiction under said law. For instance, an order might be framed ostensibly for the purpose of establishing exterior boundaries for the San Francisco Mountains Forest Reserves. The effect of such an order would be to make every acre of land within such boundaries a part of said reserves, and would give the owners of the grant lands therein an apparent right to relinquish their holdings under the act of June 4, 1897, and select other lands from the public domain in lieu thereof. Or an order might be framed for the purpose of creating a wholly new and larger reserve, including therein not only the present reserves, inclusive of the odd-numbered sections, but a sufficient additional area of public land to color the whole action with legality. Both such expedients, however, would be mere evasions of the law, and could only have the effect of permitting the grant lands to be relinquished and other lands to be selected in lieu thereof, a proceeding never for a moment contemplated by Congress in the act of June 4, 1897.

The act of June 4, 1897, is a remedial and beneficial statute. It was intended by Congress to operate for the benefit of the settler—the man who had acquired title to public lands under the homestead or other land law, who, finding himself surrounded by a forest reservation, hemmed in by its regulations and isolated because the settlement and development of the region surrounding him had been arrested by the prohibition of settlement and entry upon the reserve lands, might wish to remove his home and family elsewhere. This law affords him an opportunity of doing so. Under it he may relinquish his quarter section or half section, as the case may be, to the United States, and in lieu thereof he may receive an equal area of public land elsewhere, regardless of the character of the land relinquished, or of the land selected in its stead, save only that it must be nonmineral. Congress never intended, in enacting this law, that the railroad companies, to which it had lavishly granted millions of acres of the public lands, should in effect secure an option on the choicest lands remaining. It granted them the lands contained in their original grant and none other. To now invite them to relinquish their holdings under the law of 1897 and exercise their choice of lands in lieu thereof would be such a perversion of the intent of Congress as would awaken the just indignation of the American people. It would be a heartless encroachment upon the rights and hopes of thousands of intending settlers as would stain the character of this nation forever.

Second. No good or useful purpose can possibly be subserved by the consolidation of these reserves, nor can anyone possibly be benefited thereby save the Santa Fe Pacific Railroad Company and its said grantees. That it will benefit them, and to an enormous extent, there can be no doubt, for the following reasons: First. The railroad company and its grantees own approximately 975,000 acres within the townships comprising said reserves. Of this amount, fully 400,000 acres are entirely nontimbered or are partially covered with an inferior growth of "scrub" and absolutely valueless as timber land. Such lands could not be sold to-day at 25 cents per acre; yet should this consolidation be effected, the railroad company and its grantees can sell the title to such lands at from \$3 to \$4 per acre, or, if they choose to do so, they may select any lands within the public domain in lieu thereof. It is true that as to 180,000 acres of such lands the railroad company must select nontimbered lands south of the thirty-seventh parallel in California, but there is absolutely no contractual restrictions as to the remainder. Assuming 575,000 acres to be timbered lands, we find, first, that the timber on the "Perrin tract," consisting of about 200,000 acres of these lands, has been sold under a contract which requires the cutting of the timber thereon within a certain time, and this contract is now owned by the Saginaw and Manistee Lumber Company, of Williams, and under it said company is cutting the timber as rapidly as possible. Second. We find that nearly eight townships, or approximately 180,000 acres of the choicest timber in the county, has been sold by the railroad company direct to the Arizona Lumber and Timber Company, of Flagstaff. Third. We find that the Saginaw and Manistee Lumber Company (or William F. Baker), the owner of about 127,000 acres of these grant lands, proposes to reserve all of the available timber lands in said tract and relinquish to the United States only the denuded and open lands. Thus, under the most favorable conditions the Government will receive only from 145,000 to 160,000 acres of timbered lands, the balance (over 800,000 acres) being almost wholly valueless, and worth, if the contention of the railroad company itself may be credited (it makes this statement in its contract of taxation with the county of Coconino), less than 15 cents per acre, inclusive of the timbered lands. And so, in exchange for approximately 160,000 acres of timbered lands, worth possibly \$5 per acre, and about 815,000 acres of nontimbered lands, worth anywhere from 5 cents to 15 cents per acre, the United States will be asked to give an option on its choicest public lands, averaging in value not less than \$3 per acre—an exchange yielding to the railroad company and its grantees nearly \$2,000,000.

Third. It is obvious, in view of the foregoing statements, that the forestry of this region will not be preserved or protected to any appreciable extent by the consolidation referred to, for the reason that, at the most, not more than 160,000 acres of timber lands will be secured. Against this it is only fair to assume that wherever possible the railroad company and its grantees will select timbered lands in lieu of those relinquished, and probably will thus secure much more timber than they surrender, so that, so far as the item of timber alone is concerned, the Government is almost certain to give more than it receives, aside from the great disadvantage it will suffer in the general character of the lands exchanged. Inasmuch as it is the declared policy of Congress that "No public forest reservation shall be established except to improve and protect the forest within the reservation, or for the purpose of securing favorable conditions of water flow," how futile it appears for the purpose of consolidating a reserve to buy nearly a million acres of almost worthless private lands to secure only about 160,000 acres of timber, and at the same time to throw open a million acres of the public forests to the option of the very men who have just surrendered a little more than one-tenth as much. If the Government should take the view that the proposed consolidation will tend toward securing "favorable conditions of water flow," we reply that inasmuch as practically all of the timber on the grant lands is certain to be cut under existing contracts and can not be prevented by consolidation, the question of water flow can not fairly be considered in this connection.

Fourth. The consolidation of this reserve would prove ruinous to Coconino County. It would immediately withdraw from its taxable resources about 670,000 acres of land which are now being taxed, and nearly twice as much that will become taxable, if ever surveyed. Nearly 2,000,000 acres will thus be withdrawn from the assets of the county. And, in addition to this, should stock be excluded from the reserve, which we have reason to think would be the case if it should be consolidated, the taxable values will be reduced to such an extent that bankruptcy will inevitably ensue. It must be remembered that sheep have already been excluded from nearly all the southern half of the reserves, and that, inasmuch as there are no available grazing lands in Coconino County outside of the forest reserves, exclusion from the reserves means exclusion from the county and a consequent reduction of the taxable property of the county. The apprehension as to whether they will not soon be excluded from the balance of the reserves, and as to whether cattle will not be excluded also, is already exercising a depressing influence upon the stock interests, as every stockman in the county realizes that, should he be excluded from the forest reservation, he must either break up his home and move to some other county or sacrifice his flocks.

Fifth. It is being urged by some that these reserves be consolidated upon the ground that the agricultural region of the Salt and Gila river valleys are suffering a shrinkage in the water

supply required for irrigation owing to the cutting of timber and the grazing of stock on these reserves. We have already pointed out that the cutting of timber can not be appreciably arrested by the consolidation, and as to the effect of stock grazing, it may be said, first, that three-fourths of the entire area of these reserves drains north, or directly away from the valleys mentioned, the watershed being into the Colorado River, which is not available to the Salt or Gila valleys. In fact, the Colorado River is not available for irrigation to any extent anywhere in Arizona, and even if it were its volume is so tremendous that the flow from these reserves, or the loss of it could hardly be detected. The only stream having its source upon these reserves is Oak Creek, and notwithstanding the operation of sawmills and the grazing of stock, which until March of this year has been unrestricted, its volume is unimpaired. The real difficulty in the Salt River Valley arises from two sources: First, the canal or irrigation companies operating there have sold more water rights than the waters of the Salt can ever supply in a normal year; and, being pressed for an explanation, they point not to the fact that they have sold water regardless of their ability to supply it, but to the scapegoats of their fertile fancy—the stockmen of the north. Second, the waters of the Verde River, the principal tributary of the Salt, are being rapidly appropriated by settlers in the Upper Verde Valley, and obviously for every acre irrigated on the Verde more than an equal area must be deprived of irrigation on the Salt.

#### THE GRAND CANYON FOREST RESERVE.

This reservation was created by order of President Harrison in February, 1893. It is nearly 60 miles square, and occupies the northern portion of Coconino County. There is no timber in it, excepting a narrow belt skirting the banks of the Colorado River for a distance, possibly, of 10 miles on either side.

The land grant of the Santa Fe Pacific Railroad Company reaches into the southern portion of this reserve, and under a recent survey of that portion of the reserve covered by said grant it was determined that there were 366,000 acres of grant land therein.

The survey referred to was official, and was ordered at the request of the railroad company. The company was careful to confine the survey to only its lands lying within said reserve; for reasons that will appear hereafter.

Said company is endeavoring to secure patent for all its lands lying within said reserve, amounting, as has been suggested, to 366,000 acres, in order that it may relinquish said lands to the United States and select other and better lands in lieu thereof. Your petitioners desire to enter a most earnest protest against permitting such action, for the following reasons:

First. The lands of said company ought never to have been included in said reserve, as, with the exception of possibly 10,000 acres, they are absolutely timberless, and are naked, worthless desert lands, adapted to no purpose save, possibly, a little agriculture here and there and for grazing at certain seasons. The watershed from them is to the north and directly away from the arable areas of the Territory. It is remote from any settlement and undesirable. Should the railroad company be permitted to exchange this large body of worthless lands for its choice of an equal area of the public domain elsewhere a great injustice will result not only to the people of Coconino County, but to the general public.

Second. As it is clear that these lands were improvidently included in said reserve, the error can easily be remedied by an Executive order restoring that portion of said reserve south of the northern boundary of the said land grant to the public domain. There is ample authority in law for such action; in fact, it is almost mandatory. The act of June 4, 1897 (30 Stat. L., 3436), provides that "No public reservation shall be established except to improve and protect the forests within the reservation, or for the purpose of securing favorable conditions of water flow \* \* \* but it is not the purpose or intent of these provisions or of the act authorizing the establishment of such reserves, to authorize the inclusion therein of lands more valuable for the minerals therein or for agricultural purposes than for forestry."

The act closes by bestowing upon the President a broad authority to restore to the public domain any area that may have been improvidently or mistakenly included within a forest reservation.

The grant lands referred to are valuable neither for timber nor because of their adaptation to favorable conditions of water flow, but are valuable both for their minerals and for agriculture, as grazing is held to be. The area in which they occur should therefore be immediately restored to the public domain, not only because said lands are clearly of the character forbidden by Congress to be included or permitted to remain within a forest reservation, but because their retention therein affords the railroad company an opportunity of relinquishing them to the United States and securing valuable lands in lieu thereof—lands that ought to be held for the homeseeker and the pioneer. Furthermore, if permitted to be relinquished, they will in consequence be withdrawn from taxation, and the county will thus lose the taxes on 366,000 acres of land for all time.

Your petitioners are able to show, even by the Government surveyors, who have recently surveyed these lands, as well as by other competent witnesses almost without number, the absolute truth of their statements, and a rigid investigation is most earnestly invited. We also, with equal earnestness, urge promptitude in whatever action may be taken, as we know the railroad company is striving to the limit of its power to secure the consummation of its proposed exchange before the Department of the Interior or the Executive shall have become fully advised as to the real situation. We urge these requests in the name of right and justice, in behalf of the homes and interests of the people of Coconino County, and in the interests of the people and the integrity of the United States, with an abiding faith in the high sense of justice and the distinguished honor which conspicuously characterizes the present Executive of this nation and the heads of his Executive Departments.

For the several reasons aforesaid, your petitioners again earnestly but respectfully protest against the proposed consolidation of the San Francisco Mountains Forest Reserves, as well as the proposed relinquishment of the grant lands in the Grand Canyon Forest Reserve, believing that these matters would not only result in irreparable disaster to the people of Coconino County, but to the county itself, and would from their very nature constitute transactions so questionable and so obviously against the rights and interests of the people, so contrary to law, to right, and justice, and so manifestly in the interests of powerful corporations as to array against them every dictate of the good conscience of those to whom this appeal is addressed. We therefore respectfully again urge that, before any action is taken, competent and reliable officials be sent to investigate the whole field, knowing that the result of such investigation can not fail to vindicate the position and the assertions we adhere to herein.

Very respectfully submitted.

J. C. PHELAN, *Chairman,*  
T. E. PULLIAM,  
GEO. BABBITT,

*Supervisors of Coconino County, Ariz.*

MARCH 12, 1901.

Hon. E. A. HITCHCOCK,  
*Secretary of the Interior, Washington, D. C.*

SIR: I am in receipt of your esteemed favor pertaining to a telegram received by you from Mr. J. C. Phelan, chairman board of supervisors, relating to the San Francisco Forest Reserves, and now beg to answer your inquiry, assisted thereto by the more complete understanding of the subject which the personal interviews kindly granted me by you have enabled me to acquire.

With respect to the Arizona Lumber and Timber Company, I advise that some years since the Santa Fe Pacific Railroad Company entered into a contract with such lumber company whereby the latter agreed to cut and supply to the railroad company ties and lumber until January 1, 1908, and the railroad company, in consideration thereof, sold to the lumber company timber growing on the land described in such contract. Prior thereto the lumber company had acquired timber growing on certain other lands. The price paid for the timber is \$1.25 per 1,000 feet when cut. The railroad company has until January 1, 1907, in which to pay for lumber which it elects to take, and until January 1, 1912, in which to remove any timber so purchased.

That you may appreciate the magnitude of the business done by the Arizona Lumber Company, I beg to inform you that their daily output is never less than ten, and often twenty cars per day, and as this traffic is hauled on an average over 800 miles, its value to the railroad company is considerable. The value of the lumber company's plant to the community is but partially shown by the fact that from 300 to 500 men are constantly employed, for next to the railroad company the taxes of the lumber company are the largest paid by anyone in that portion of the Territory.

Concerning the Saginaw and Manistee Lumber Company, I have requested Mr. W. F. Baker, its president, to advise you direct with reference to its holdings within the reserves, as he can inform you more accurately with respect to the details. But, in a general way, I know that both of these lumber companies are precisely in the same situation. Each has a large investment in mills, plants, and railroads, and each depends for its supply of timber wholly upon lands which fall within this reservation. Each of these plants has lately been refitted with the most recent improved machinery, costing many thousands of dollars, and each company has many outstanding contracts to fulfill in supplying manufactured lumber. Under these conditions each company must necessarily retain a sufficient amount of standing timber to continue its operations and fulfill its obligations. Aside from these considerations, which to each of said companies are controlling, it is also true that they are the life of that part of Arizona, and to cut off their supply of standing timber would result in the destruction of a successful business, render useless property of great

value, including two railroads, each more than 20 miles in length, take away the chief employment now regularly afforded the people of that region, irreparably injure the Santa Fe Pacific Railroad Company, and cut off, next to the railroad company, the county's largest source of revenue through taxation.

These industries being on the line of the railroad, one situated near Flagstaff and the other near Williams, and known to all who have traveled through that country, it is possible we may have, in these negotiations, failed to mention them as often as we should; but I was repeatedly assured by Mr. A. P. Maginnis and Mr. W. F. Baker that these facts were stated and known to all the officials with whom they had conferred as to the proposed reservation.

The railroad company can, and if you desire will, convey to the Government the lands covered by its contract with the Arizona Lumber and Timber Company aforesaid, but as such conveyance must be subject to the rights of such lumber company, and as no practical benefit would thereby ensue to the Government, I am led to believe that for the present the title to such lands should remain where it is. They thereby remain subject to taxation, and the plant depending upon them for its existence will continue in operation, to the benefit of Coconino County and the town of Flagstaff located therein.

In order that you may fully understand all the limitations that exist with respect to the power of the Santa Fe Pacific Railroad Company to convey absolutely the lands falling within the proposed exterior limits of the reserve, I inclose herewith a statement in which is set forth (1) the lands covered by the contract with the Arizona Lumber and Timber Company, (2) the lands included in a somewhat similar contract with J. M. Dennis, and (3) the lands included in small sales. All other lands owned by it within such reservation the railroad company is ready to reconvey to the United States in exchange for other lands, under the terms and conditions of our communication of January 11, 1901. For your more convenient reference I have caused to be prepared and submit herewith a plat on which is designated in blue the lands which the company is now in position to reconvey absolutely; in red, the lands covered by the contracts with the Arizona Lumber Company and J. M. Dennis, and in green, the small tracts which have been sold by the railroad company to various parties. It will be observed from this map that the lands which the company is not now in position to reconvey absolutely aggregate 66,000 acres, whilst those which the company is ready to reconvey aggregate 465,000 acres, less any small amounts to be deducted on account of water supply, rights of way, station grounds, town sites, reservoirs, etc. The lands which the company is now ready to reconvey thus constitute 88 per cent of its entire holdings within the proposed reserve.

It is my understanding that you desire to consider de novo all of the matters that were the subject of the negotiations which we supposed were terminated with your acceptance of the communication addressed to you on January 11, 1901, and this is satisfactory to my company.

Agreeably to my promise given you verbally to-day, I have communicated with Mr. W. F. Baker and Mr. E. B. Perrin, requesting them to communicate direct with you relative to their lands, and will communicate with the Arizona Lumber and Timber Company, and with Mr. Dennis, and advise you as soon as possible whether they are willing to release to us certain lands covered by the existing contracts I have mentioned, in order that we may reconvey to the Government such additional lands with perfect title.

Very respectfully,

E. D. KENNA,

*First Vice-President and General Solicitor Santa Fe Pacific Railroad Company.*

WASHINGTON, D. C., *March 12, 1901.*

Hon. E. A. HUTCHCOCK,

*Secretary of the Interior, Washington, D. C.*

SIR: Mr. E. D. Kenna, vice-president and general solicitor of the Atchison, Topeka and Santa Fe Railway Company, has called my attention to your communication of recent date relative to the receipt by you of a telegram from J. C. Phelan, suggesting that the Saginaw and Manistee Lumber Company are withholding about 40,000 acres of timber from relinquishment in the San Francisco Reserve; and in view of your stated understanding that the relinquishment of odd-numbered sections in said reservation was to include all lands within the exterior limits of the reserve, I have been requested to advise you definitely with reference to the Saginaw and Manistee Lumber Company's lands.

Said company, or myself individually, owns by purchase from the railroad company the lands described in the list attached to this letter, aggregating 123,000 acres. These lands were purchased by this company because of the timber supposed to be located thereon, and, in pursuance of the purposes for which this company was formed, extensive mills have been established in the locality of these lands. The company having expended in the construction of such mills, railroads, and other adjuncts a sum fully equaling if not exceeding \$300,000, it naturally expects to continue the operation of these mills, and has never understood that it was expected to discontinue such operation for no other return than the mere exchange

of lands, which it had previously at great expense located and purchased. It has, however, fully realized the urgent needs of the people in the Salt River Valley, and has endeavored in every way possible to lend itself to the accomplishment of that purpose by the creation of a forest reservation, which would not, however, absolutely destroy the plant hereinabove referred to and the operation of the same.

With that desire it stands now ready to relinquish to the United States Government, on the terms and conditions set forth in your letter of January 11, 1901, 90,000 acres of the total acreage of 123,000 owned by it.

The 33,000 acres which the company is not prepared to agree to relinquish to the United States are described upon the inclosed list, marked "B," and shown upon the map or plat filed herewith in blue.

It may be that, after a further and more detailed examination has been made of these lands, the company will be willing to relinquish even a larger acreage; but at the present writing the list, and map attached, represent the position which this company now occupies.

The connection of the Saginaw and Manistee Lumber Company with the lands owned by the Perrin Brothers will be made the subject of a separate communication of even date, wherein the Perrin Brothers will join.

It was my understanding that the position of the Saginaw and Manistee Lumber Company was fully understood by you, and that you readily recognized not only the impossibility of this company relinquishing its entire holdings within the exterior limits of the proposed reserve, but the advantages which would accrue to the county and Territory by permitting the continuance of operations by this company, thereby not only preserving a certain amount of taxable property, but also giving employment to a large number of people.

I have no doubt these benefits and advantages will continue to be recognized by you, and that in offering to exchange, on the conditions aforesaid, nearly three-fourths of its holdings within the reservation, the company has evidenced in the strongest way possible not only its good faith, but its earnest desire to aid your office in securing an effective forest reservation.

In the light of the facts which are now thus officially laid before you, should any way occur whereby, in your judgment, this company could further evidence its purpose, I should be most pleased to receive an indication of your wishes, and, if possible, to see that the same are fulfilled.

Very respectfully,

WM. F. BAKER,  
*President Saginaw and Manistee Lumber Company.*

*List of lands which the Saginaw and Manistee Lumber Company is not now prepared to relinquish to the United States.*

*Township 24, range 5.*—Sections 15, 23, and 25, and the southeast quarter of section 27.

*Township 24, range 6.*—Sections 15, 21, 29, and 31.

*Township 23, range 5.*—Sections 1, 13, 15, 17, 19, 21, 25, 27, and east half and southeast quarter southwest quarter and northeast quarter northwest quarter section 23, and east half and northwest quarter section 35.

*Township 23, range 6.*—Sections 5, 7, 9, 17, 19, 29, 31, and 33.

*Township 22, range 5.*—Sections 1, 9, 11, 13, 15, 17, 19, 21, 23, 25, 29, 35, and west half and north half northeast quarter and southeast quarter northeast quarter of section 27, and north half of section 33.

*Township 22, range 6.*—Sections 3, 5, 7, 9, 11, 15, 17, 19, 29, and 31.

WASHINGTON, D. C., *March 12, 1901.*

Hon. E. A. HITCHCOCK,

*Secretary of the Interior, Washington, D. C.*

SIR: I am in receipt of your communication of February 26, calling my attention to a telegram received by you from Mr. J. C. Phelan, chairman board of supervisors, wherein he suggests that the Saginaw and Manistee Lumber Company are withholding about 40,000 acres of timber from relinquishment in the San Francisco Reserve, in addition to about six townships of timber contracted to the Arizona Lumber and Timber Company. With reference to this telegram you suggest that it was your understanding that the relinquishment of odd-numbered sections was to include all lands within the exterior limits of the reserve, and you request that I furnish your office with a reply to the statements contained in the above telegram.

Within the exterior limits of the proposed reservation I and my brother have acquired, by purchase from the Atlantic and Pacific Railroad Company, lands described in the list attached hereto, marked "A," aggregating about 135,000 acres. I am not informed as to the timber rights owned or controlled by the Arizona Lumber and Timber Company, to which you refer, but understand that their connection with lands in this reservation has been fully explained by Mr. E. D. Kenna, vice-president and general solicitor of the Atchison, Topeka and Santa Fe Railway Company.

So far as the Saginaw and Manistee Lumber Company is concerned, I am informed that it owns a large body of lands within the proposed reservation, aggregating something like 120,000 acres, concerning which I am not able to say what particular disposition they will make to the Government, but believe that as to same their position will be fully set forth in a communication direct. Said Saginaw and Manistee Lumber Company have, however, a direct interest in the lands owned by me, the interest in question being a right to cut the timber and remove the same from all of the lands so owned until 1926.

Whilst, therefore, I have been and am now willing to relinquish to the United States the title to all the lands owned by me within the proposed reservation with the exception of some small acreages, including my home in the town of Williams, I am not able to convey a title free from all claims or rights by reason of the aforesaid outstanding contract of the Saginaw and Manistee Lumber Company.

In the numerous conferences, however, which we have all held in an effort to accommodate ourselves to the necessities of the people of the Salt River Valley, and in order to relieve ourselves from the continued embarrassment of being included in a forest reservation without the right to relinquish our holdings under the law, the Saginaw and Manistee Lumber Company have agreed to join with me in conveying to the United States a full and complete title to the following-described lands, aggregating 86,500 acres, thus leaving 48,500 acres, which at the present time I am not able to convey to the United States freed from the timber right of said company, but I believe that as soon as the lands can be examined an additional acreage may be so relinquished freed from said timber contract.

You have been overkind in permitting me to explain to you at length the personal embarrassment under which I suffer by reason of my ownership of these lands, and by reason of my position in advocating the creation of this reservation in a solid form. It is needless, therefore, for me to now enlarge upon my great desire to reach an early and satisfactory conclusion in the matter. During the various interviews which you have so freely accorded us, the question as to my lands has occupied a more or less important position. They have been so thoroughly discussed as to have led me to believe that their condition was well understood, and when the suggestion was made that the Department desired to secure the ownership of all lands falling within the exterior limits of the proposed reservation, my recollection is that it was explained that by reason of certain facts then fully stated it would be impossible to secure the title to each and every acre therein, and it is also my recollection that it was then understood that the purpose of the Department would be fully served if it could acquire the title to within 5 or possibly 10 per cent of the entire acreage of the reserve.

Acting upon this understanding and in the full belief that there would be relinquished to the Government the proportion that would be satisfactory to the Government, I have, at considerable expense, proceeded to select the 32,000 acres of land south of the thirty-seventh standard parallel, which was to be my proportion of the open lands to be selected in lieu of an equal area released within the reservation.

I am now prepared to complete that understanding by designating the 32,000 acres in question as a necessary preliminary to the issuance of a proclamation creating the proposed reserve, and earnestly hope that as a result of all the careful and unusual examinations which you have given this subject you will be able at an immediate date to indicate your willingness to permit myself and coowners to proceed upon the lines laid down in the communication of January 11, 1901, aforesaid.

Very respectfully,

E. B. PERRIN,  
ROBT. PERRIN,  
By E. B. PERRIN,  
*Attorney in Fact.*

The Saginaw and Manistee Lumber Company hereby agree and indicate their acquiescence in the statements hereinabove contained.

The SAGINAW AND MANISTEE LUMBER COMPANY,  
By WM. F. BAKER, *President.*

DEPARTMENT OF THE INTERIOR,  
Washington, June 6, 1901.

E. D. KENNA, Esq.,  
Vice-President and General Solicitor,  
Santa Fe Pacific Railroad Company, Chicago, Ill.

SIR: On January 11, 1901, the owners of the odd-numbered sections adjoining and within the exterior limits of the San Francisco Mountains forest reserves in Arizona agreed that if the President of the United States, by proclamation, would immediately extend the limits of said reservation so as to include all of the odd-numbered sections then owned by them falling within the exterior limits of said reserves, they, as holders of the title to said odd-numbered sections, would surrender to the United States their title in such lands under the act of June 4, 1897, provided they were permitted to exchange said holdings for other lands elsewhere, on the basis set forth in said agreement.

Subsequently a telegram was received at this Department from Mr. J. C. Phelan, chairman of the board of supervisors, calling attention to the fact that a large portion of the acreage of said odd-numbered sections could not be relinquished by said owners to the Government for reasons therein stated, and that said proposed consolidation would only enable the Government to obtain title to a portion of said odd-numbered sections.

That telegram was by me transmitted to the various owners of said odd-numbered sections, with a request for a reply to the allegations therein contained.

On March 12 the various owners of said odd-numbered sections replied to that communication. From those replies it appears that of the acreage owned by the Santa Fe Pacific Railroad Company 66,000 acres of timbered lands can not be relinquished to the Government because of the fact that they are covered by timber contracts with the Arizona Lumber Company and one J. N. Denny; that of the acreage owned by W. F. Baker, president of the Saginaw and Manistee Lumber Company, 33,000 acres of timbered lands will have to be retained by said company; and that of the acreage owned by the Perrin Brothers 48,500 acres of timbered lands can not be relinquished to the Government; in other words, that of the acreage embraced in said odd-numbered sections, 147,500 acres of timbered lands can not be relinquished to the Government, and as the estimated area of the odd-numbered sections is about 975,000 acres the Government, if it accepted the relinquishment of the remaining lands on the terms proposed, would fail to receive title to over 15 per cent of the lands embraced in said odd-numbered sections.

The Department is further in possession of information tending to show that of the remainder of the acreage within said odd-numbered sections a large part thereof has been denuded of its timber and that a large portion of the remainder is in no sense timbered land.

It was the understanding of this Department that the entire acreage embraced in said odd-numbered sections would be relinquished by the owners thereof to the Government. That, it appears, can not be done, and as the relinquishment of the remaining lands would not enable the Government to carry out its purpose of consolidating all the timbered lands in that region for the purpose of conserving the water supply the Department declines to take any further action looking toward the extension of the boundaries of said reservation or the exchange of said lands on the terms proposed.

Very respectfully,

E. A. HITCHCOCK, *Secretary.*

NEW YORK, June 21, 1901.

HON. WILLIAM MCKINLEY, *President,*  
Washington, D. C.

SIR: With your permission, we beg leave to submit for your consideration the great necessity for the solidification of the San Francisco Mountain Forest Reserve, in Arizona.

The Arizona Water Company owns the canal system on the north side of the Salt River, supplying the city of Phoenix and the farming community on that side of the river. Our canal system represents an investment of \$2,500,000, and the water is taken from the Salt and Verde rivers.

The supply of these streams is dependent upon the forest at their sources, and lands lying within the proposed reservation are the most important and essential to the preservation of this water supply.

A very considerable destruction of these forests has already taken place through the operations of sawmills and sheep grazing. Our latest reports from Arizona are that these operations have already caused a decrease in the water supply of not less than 20 per cent from what has been considered a normal flow in the river.

The direct result of the forest changes has been a quick "run-off" during flood periods and an almost entire stoppage of the flow during the dry seasons, when water is most needed.

We call particular attention to the fact that before these streams were thus affected their normal flow was sufficient, without storage, to irrigate successfully the 250,000 acres covered by existing canals.

By reason of the destruction of these forests this is no longer possible, and it has become necessary to supplement the original investments by the construction of reservoirs costing over \$2,000,000.

These reservoirs can not be effective unless their drainage area is protected from further destruction by sawmills and sheep grazing; otherwise they will soon fill up with the débris from the mountain sides. Not only is the value of these irrigation works absolutely dependent upon the protection of these forests but also that of \$20,000,000 worth of other property in this valley, including over 2,000 homes.

The preliminary work for construction of a large reservoir dam has been completed, but it is impossible to proceed with the work until the aforesaid forest reserve is established. It has been our hope and expectation that the Federal Government would make a reservation that would be as effective as possible, but we have been waiting many months, and our representative, Mr. W. J. Murphy, has made many trips to Washington to secure action by the Department to this end, but so far without avail.

Meantime the destruction of our property continues and we are powerless to arrest the destruction.

We earnestly request that a proclamation be issued without further delay, solidifying said reserve, so that the parties interested may secure a release to the Government of as much of the land under private holdings as possible.

Very respectfully submitted.

THE ARIZONA WATER COMPANY,  
By A. B. LEACH, *President.*

CHARLES S. FAIRCHILD,  
HIRAM R. STEELE,  
MORGAN G. BURNEY,

*Directors.*

HORNBLOWER, BYRNE, MILLER & POTTER,  
*Attorneys for the Arizona Water Company.*

JULY 2, 1901.

Mr. A. B. LEACH,  
*President of the Arizona Water Company,*  
*New York City, N. Y.*

SIR: I am in receipt, by reference from the Executive Mansion, of a communication addressed on the 21st ultimo by you and the directors and attorney of the Arizona Water Company to the President, concerning the necessity for the consolidation of the San Francisco Mountains Forest Reserves.

In reply, I beg to advise you that for the past two years I have been endeavoring to reach some arrangement with the owners of the odd-numbered sections adjoining the San Francisco Mountains Forest Reserves, in Arizona, that would enable me to recommend to the President such action as would effect the consolidation of said reserves.

Such proceedings were had in the matter that a proposition was finally submitted to this Department by the owners of the odd-numbered sections within the exterior limits of said reserves, which I approved and which it was believed would effect the consolidation desired.

Approximately, said odd-numbered sections embrace an area of about 900,000 acres, in round numbers, all of which, I understood, was to be relinquished to the United States and other lands in lieu thereof selected elsewhere.

When it came, however, to the carrying out of the proposition submitted, it was discovered that the owners of the odd-numbered sections had overlooked the fact that an estimated area of 150,000 acres, and which were timbered lands, could not be relinquished because they were either covered by contracts of sale or by contracts providing for the removal of the timber therefrom.

Other information received by the Department led me to believe that a large portion of the remaining 750,000 acres which it was proposed to relinquish, was in no sense timbered lands, and that the actual acreage of timbered lands that would be acquired by the Government, if said 750,000 acres were relinquished to it, would not be great enough to warrant the Government in making the exchange of lands under the terms of the proposition, nor great enough to aid materially in conserving the water supply.

I therefore declined to proceed further in the matter or to ask the President by proclamation to make such consolidation, and I so advised the parties in interest.

In this connection, referring to the stress placed by you upon the proposition that the water supply of the Salt and Verde rivers, upon which the irrigation of the Salt River Valley depends, and in which your company is largely interested, is almost wholly dependent upon the consolidation of this reserve for the purpose of preserving the timber and con-

serving the water supply, I desire to call your attention to a phase of this matter which appears to have heretofore been overlooked by you in the consideration of this question.

You are of course aware that when it was learned that this consolidation was contemplated the supervisors of Coconino County, in Arizona, protested against the contemplated action, alleging that the political existence of the county was threatened and would be destroyed if the proposed consolidation was effected.

In order that the interests of all parties might be presented, a hearing was given and had before me, at which the representatives of both Coconino and Maricopa counties appeared.

At that hearing it was alleged by the representatives of Coconino County, and admitted by those of Maricopa, that fully three-fourths of the surface of the San Francisco Mountains Forest Reserves slopes to the north; that the run-off is in that direction, and empties into the Little Colorado, and thence by means of the Great Colorado, into the Gulf of California.

It was, however, contended by the representative of Maricopa County that notwithstanding the slope of the greater portion of the area of said reserve toward the north, that the bed rock sloped toward the south; that the water percolating through the soil flowed along this bed rock and came out in springs toward the south, which fed the Salt and Verde rivers.

In reply to this, however, it was alleged by the representatives of Coconino County, and not denied by Maricopa, that investigation at the Geological Survey and the Department of Agriculture disclosed the fact that there was no absolute evidence in their possession showing in which direction the bed rock did incline, but that such evidence as they did have indicated that it sloped to the north.

If it be true that the major portion of the surface of said reservation slopes to the north, and that the bed rock also slopes in that direction, it would seem that the anxiety of the people of the Salt River Valley and their ideas in regard to the source of their water supply are not well founded.

It was further disclosed at that hearing that the Salt and Verde rivers had decreased in their flow during the last three or four years, but that there had existed all over that country for that period a condition of unusual drought, and that springs on the top of the mountains, inaccessible to sheep grazing or any of the agencies that it is alleged affect the water flow, had lost 75 per cent of their capacity in that time.

A remarkable fact, however, in connection with that hearing, or rather a remarkable allegation made by the representative of Coconino County, and not denied by those of Maricopa, was that the only stream that originates and receives its water supply in the San Francisco Mountains Forest Reserves, and which receives the rainfall and run-off from the only portion of the reserves that slopes in a southerly direction, is a stream by the name of Oak Creek; that Oak Creek is a tributary of the Verde River, and that along the head waters of Oak Creek timber has been cut, sheep have grazed, and all the agencies that are presumed to affect adversely the water supply have operated there, yet, notwithstanding these facts, the flow of water in that stream has not diminished to any perceptible extent, but has practically maintained itself at flood tide.

I have expressed myself herein at some length, for the purpose of showing you, first, that this Department put forth every honorable effort that it could to bring about the consolidation of these reserves, under the impression that it was necessary to protect the timber and conserve the water supply and to protect the irrigating interests of the Salt River Valley: second, that when it came to the point of perfecting said consolidation it was discovered that the ability of the owners of the odd-numbered sections to transfer their lands was so hampered and hedged about that the acquisition by the Government of the lands which they could convey would not effect the purpose intended, and that the Government would simply be exchanging valuable lands for those that are practically of no value; and, third, that an investigation of all the interests involved or supposed to be involved in the proposed consolidation of these reserves makes it perhaps an open question as to whether there exists a necessity for such consolidation.

In any event, this Department has at all times been impelled by a desire to do whatever it could, and all that it could, consistent with the interests of the Government, to promote the welfare of the communities affected by said reserves, and whenever it is clearly shown that the paramount interests of those communities demand the consolidation of these reserves with the odd-numbered sections adjoining them, and the owners of said sections will get together and submit a proposition to the Department that it can entertain, it stands ready to use its best efforts to effect that consolidation.

All this I have repeatedly indicated to your representative, Mr. Murphy

I have the honor to be, very respectfully, yours,

E. A. HITCHCOCK,  
*Secretary.*

## EXHIBIT B.

*Copy of form of deed for conveying lands subject to outstanding timber contracts, submitted by joint proposition of March 28, 1902.*

Know all men by these presents:

That whereas I, the undersigned, am the owner of the land herein specifically described, which is included within the limits of the San Francisco Mountains Forest Reservation, in the Territory of Arizona;

And whereas I have agreed to relinquish said lands to the United States of America and to select in lieu thereof an equal quantity of vacant, surveyed, nonmineral public lands which are subject to homestead entry, as provided for by the act of Congress approved June 4, 1897 (30 Stats. L., p. 36), and the act of Congress approved June 6, 1900 (31 Stat. L., p. 614), and which lands so to be selected are to be nontimbered, and situated south of the thirty-seventh parallel of latitude, and the Tehichipa range of mountains, as specified in certain correspondence between me and my representatives on the one part and the Secretary of the Interior on the other;

And whereas the said relinquishment is to be subject to the right of \_\_\_\_\_, his personal representatives and assigns, under a certain written contract, a copy of which is incorporated herein, to cut and remove, under and in accordance with certain rules incorporated herein, and not otherwise, the timber growing upon the land so relinquished;

And whereas the written contract under which \_\_\_\_\_ claims the right to cut and remove said timber is as follows:

(Here set forth copy of contract, omitting the description of the lands covered thereby.)

And whereas the rules under and in accordance with which, and not otherwise, the said timber is to be so cut and removed are as follows:

## EXHIBIT C.

*Copy of form of deed for conveying lands not subject to outstanding timber contracts, submitted by joint proposition of March 28, 1902.*

Know all men by these presents:

That whereas I, the undersigned, am the owner of the land herein specifically described, which is included within the limits of the San Francisco Mountains Forest Reservation, in the Territory of Arizona;

And whereas I have agreed to relinquish said land to the United States of America and to select in lieu thereof an equal quantity of vacant, surveyed, nonmineral public lands which are subject to homestead entry, as provided for by the act of Congress approved June 4, 1897 (30 Stats. L., p. 36), and the act of Congress approved June 6, 1900 (31 Stats. L., p. 614), and which lands so to be selected are to be nontimbered and situated south of the thirty-seventh parallel of latitude, and the Tehichipa range of mountains, as specified in certain correspondence between me and my representatives on the one part and the Secretary of the Interior on the other;

Now, therefore, I \_\_\_\_\_, of \_\_\_\_\_, in the State of \_\_\_\_\_, do hereby release, remise, quitclaim, grant, and relinquish to the United States of America the following described land, to wit:

(Here describe lands.)

Situate in the county of \_\_\_\_\_, in the Territory of Arizona, and containing \_\_\_\_\_ acres; and in lieu of said lands so relinquished I agree to select as aforesaid an equal area of lands of the character and location hereinbefore stated.

Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 1902.

\_\_\_\_\_. [SEAL.]

## EXHIBIT D.

*Copy of rules and regulations to govern the removal of timber upon the odd-numbered sections proposed to be included in the San Francisco Mountains Forest Reserve, submitted March 28, 1902.*

1. All trees to be cut shall be marked by the Government, at its expense, within sixty days after written notice to the Secretary of the Interior of the intended cutting, and no trees marked shall be cut, except that if the Government as to any section fails to mark the trees within the time named, cutting may proceed as to that section in advance of or without marking. Notices of intention to cut, marking and cutting, shall be by sections from time to time as the interests of those having the right to cut may suggest.

2. Trees marked may be left standing at the discretion of the lumberman.

3. Trees less than 11 inches in diameter of wood, 18 inches above ground, shall not be marked unless defective or unless for other reasons satisfactory to the Government their removal shall be advantageous to the forest. All trees 11 inches in diameter and upward, 18 inches above ground, except as provided in rule 4, shall be marked for cutting by the Government.

4. The right to retain two seed trees on each acre above 14 inches in diameter shall be reserved to the Government when necessary for the good of the forest. Such trees shall be chosen from individuals unsound or otherwise undesirable for lumber.

5. Small timber necessary for use in logging may be cut for that purpose when it can not be reasonably dispensed with.

6. All timber shall be used clean, and all waste shall be avoided, as far as it is reasonably possible to do so.

7. No tops shall be thrown against unmarked, standing trees, when possible to avoid it, and when thrown against or near such trees all tops shall be dragged away by the lumberman far enough to prevent injury to standing timber by heat when the tops are burned.

8. All reasonable precautions shall be taken by the lumberman to prevent unnecessary damage to young growth and to guard against fire, and the lumberman and those employed by him in the forest shall be required, without expense to the Government, to assist in extinguishing fires whenever necessary.

9. Employees of the Government shall at all times have free access for the purpose of lopping and burning tops (which shall be at the expense of the Government), for all other purposes involved in these rules, and for all purposes incident to the administration of the forest reserve and the laws and regulations pertaining thereto.

10. The Government shall, under no circumstances, be liable for injury by fire to timber standing or fallen, the right to remove which has been reserved.

11. The cutting and removal of timber shall be under the supervision of a forest officer representing the Secretary of the Interior, and all questions arising in connection with the cutting or removal of the timber shall be determined by him, under the direction of the Secretary of the Interior. His decision shall be final, except as provided in rule 12.

12. If the lumberman feels aggrieved at any decision of the forest officer representing the Secretary of the Interior, he must notify that forest officer in writing within ten days after the decision, and thereupon the matter in controversy shall be referred to a committee of three disinterested persons, to be agreed upon by the forest officer and the lumberman, or to be named by the justice of the supreme court of the Territory of Arizona, whose district includes the lands in question, where the forest officer and the lumberman are unable to agree. The finding of this committee shall be reduced to writing and transmitted to the Secretary of the Interior, whose decision in the premises will be promptly given and shall be final. The compensation and reasonable expenses, if any, of the committee, shall be equally divided between the lumberman and the Government.

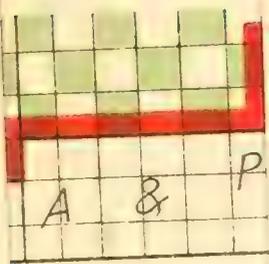
Now therefore I, \_\_\_\_\_ of \_\_\_\_\_, in the State of \_\_\_\_\_, the owner of said land, and I, \_\_\_\_\_, of \_\_\_\_\_ County, in the State of \_\_\_\_\_, the holder of the contract right to cut and remove timber from said land, do hereby release, remise, quitclaim, grant, and relinquish to the United States of America the following-described land, to wit:

(Here describe lands.)

situate in the county of \_\_\_\_\_, in the Territory of Arizona, and containing \_\_\_\_\_ acres, reserving and excepting as aforesaid the right to cut and remove the timber growing thereon, under and in accordance with the rules aforesaid, and not otherwise; and in lieu of said lands so relinquished said owner agrees to select as aforesaid an equal area of lands of the character and location hereinbefore stated.

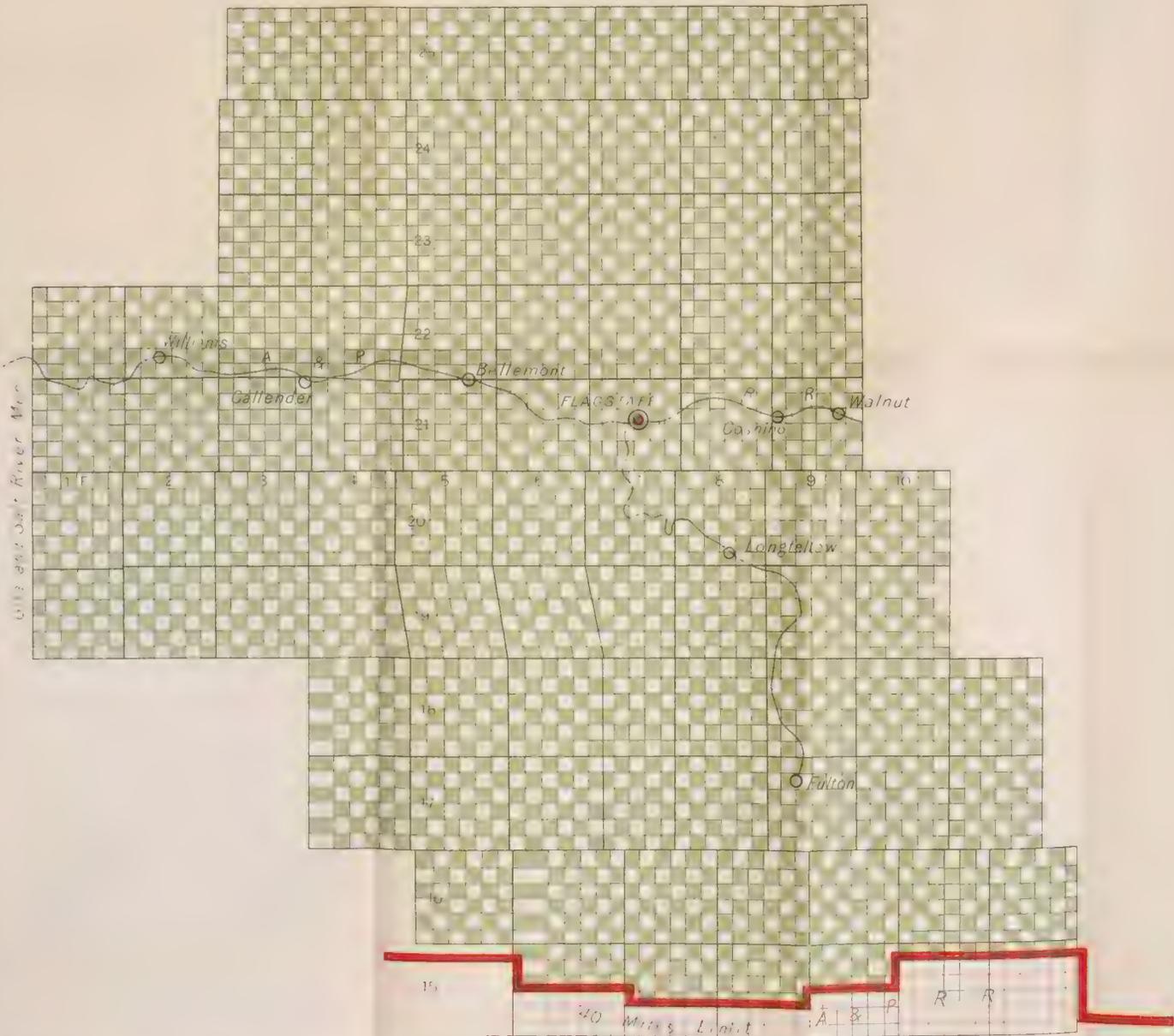
Witness my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 1902.

\_\_\_\_\_. [SEAL.]





# MAP OF SAN FRANCISCO MOUNTAINS FOREST RESERVES ARIZONA



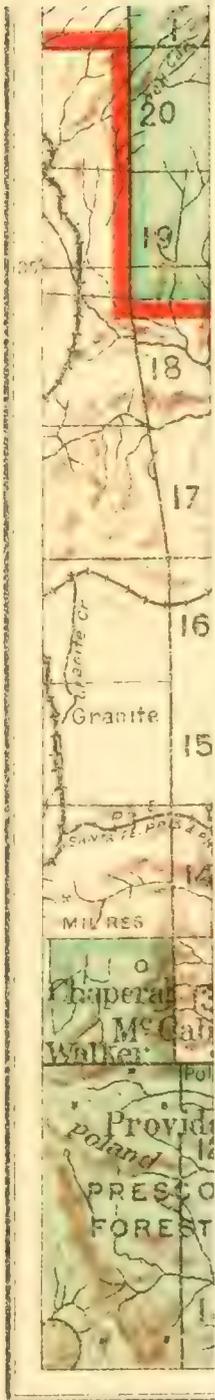




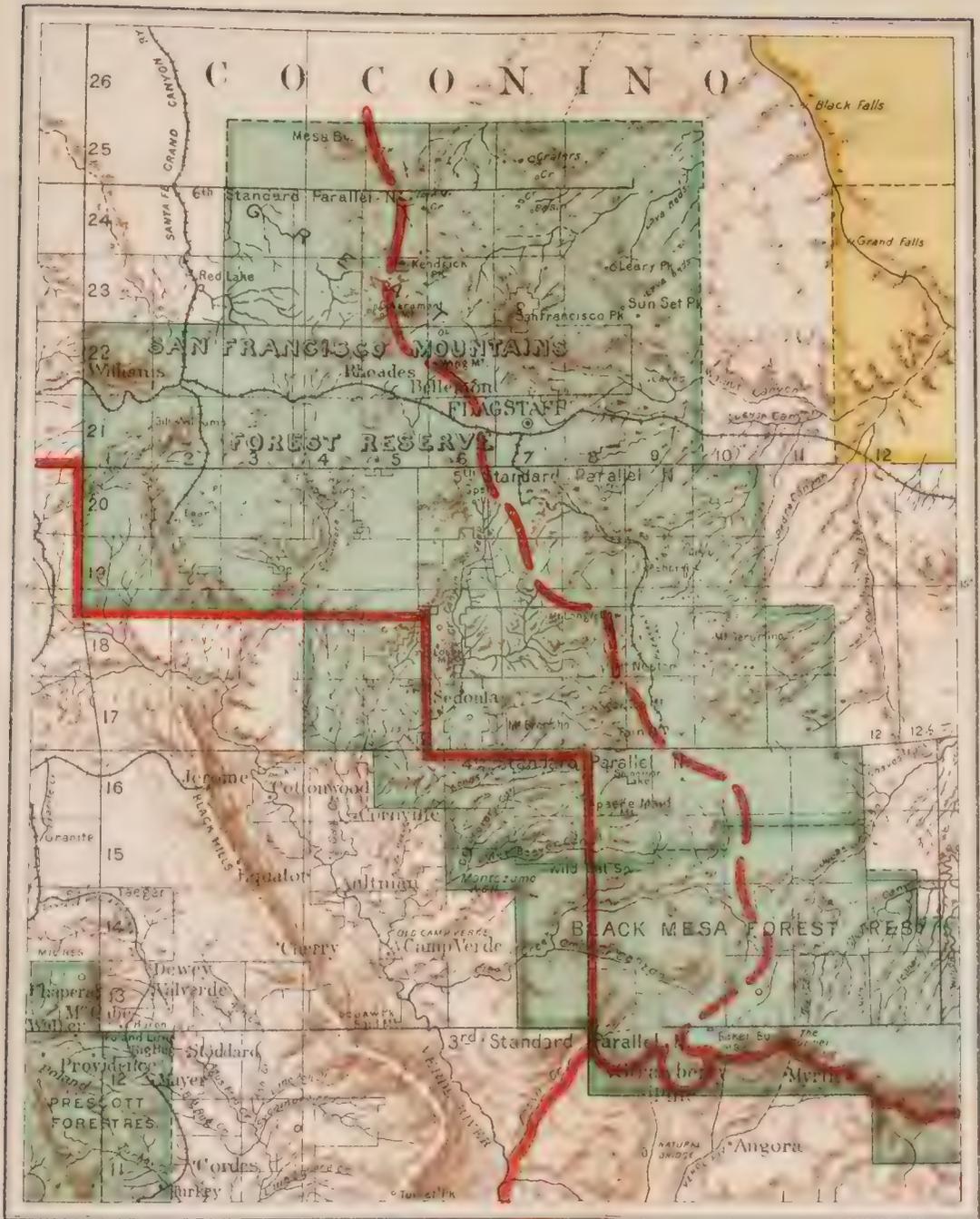












MAP SHOWING THE WATERSHED INCLUDED WITHIN THE  
SAN FRANCISCO MOUNTAINS FOREST RESERVE





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