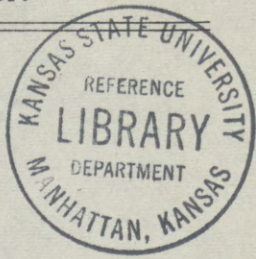


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OF THE TALENT DIVISION OF THE ROGUE RIVER BASIN
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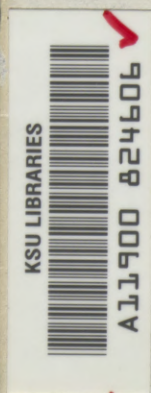
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HEARING
BEFORE THE
SUBCOMMITTEE ON
IRRIGATION AND RECLAMATION
OF THE
COMMITTEE ON

INTERIOR AND INSULAR AFFAIRS
UNITED STATES SENATE
EIGHTY-SEVENTH CONGRESS



FIRST SESSION
ON

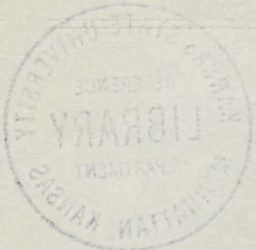
S. 1023

A BILL TO AMEND THE ACT OF AUGUST 20, 1954 (68 STAT, 752), IN ORDER TO PROVIDE FOR THE CONSTRUCTION, OPERATION, AND MAINTENANCE OF ADDITIONAL FEATURES OF THE TALENT DIVISION OF THE ROGUE RIVER BASIN RECLAMATION PROJECT, OREGON.

JULY 5, 1961

Printed for the use of the Committee on Interior and Insular Affairs





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AGATE DAM AND RESERVOIR, AN ADDITIONAL FEATURE OF THE TALENT DIVISION OF THE ROGUE RIVER BASIN RECLAMATION PROJECT, OREGON

WEDNESDAY, JULY 5, 1961

U.S. SENATE,
SUBCOMMITTEE ON IRRIGATION AND RECLAMATION
OF THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to call, at 2 p.m. in room 3110, Senate Office Building; Senator Clinton P. Anderson (chairman of the subcommittee) presiding.

Present: Senators Clinton P. Anderson, of New Mexico; J. J. Hickey, of Wyoming; Henry Dworshak, of Idaho, and Thomas H. Kuchel, of California.

Also present: Stewart French, chief counsel.

Senator ANDERSON. The Subcommittee on Irrigation and Reclamation will please come to order.

The purpose of the meeting today is the consideration of S. 1023, a bill to provide for additional features of the Talent division of the Rogue River Basin reclamation project, Oregon, by the construction of the Agate Dam and Reservoir.

The meeting was called this afternoon at the request of Senator Neuberger and Senator Morse, sponsors of the bill, to accommodate several witnesses who are in town and wished to be spared another trip to Washington.

Departmental witnesses are also present who will explain the technical features of the project and answer any questions that may arise in connection therewith.

Before calling for testimony, there will be inserted in the record a copy of the bill, S. 1023, and the favorable reports of the Department of the Interior and the Bureau of the Budget.

(The bill and reports follow:)

[S. 1023, 87th Cong., 1st sess.]

A BILL To amend the Act of August 20, 1954 (68 Stat. 752), in order to provide for the construction, operation, and maintenance of additional features of the Talent division of the Rogue River Basin reclamation project, Oregon

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in addition to the works described in section 1 of the Act of August 20, 1954 (68 Stat. 752), the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto), is authorized to construct, operate, and maintain as a part of the Talent division of the Rogue River Basin project, Oregon, the following works: Agate Dam and Reservoir, a diversion dam, feeder canals, and related facilities.

SEC. 2. (a) The Secretary of the Interior is authorized, in connection with the works authorized by this Act, to construct minimum basic public recreation

facilities and to arrange for the operation and maintenance of the same by an appropriate State or local agency or organization. The cost of constructing such facilities shall be nonreimbursable and nonreturnable under the reclamation laws.

(b) The Secretary may make such reasonable provision in the works authorized by this Act as he finds to be required for the conservation and development of fish and wildlife in accordance with the provisions of the Fish and Wildlife Coordination Act (48 Stat. 401, as amended; 16 U.S.C., sec. 661, and the following), and the portion of the construction costs allocated to these purposes together with an appropriate share of the operation, maintenance, and replacement costs therefor, shall be nonreimbursable and nonreturnable.

SEC. 3. (a) Section 3 of the Act of August 20, 1954, *supra*, is amended by inserting after the figure "\$22,900,000" the following: ", and for the construction of Agate Dam and Reservoir the sum of \$1,802,000 (January 1960 costs), in each case".

(b) Section 2, subsection (c) of said Act is amended by deleting the final period and adding to the last sentence "from the date when each irrigation repayment contract becomes effective."

U. S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 16, 1961.

HON. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR ANDERSON: This responds to your request for the views of this Department on S. 1023, a bill to amend the act of August 20, 1954 (68 Stat. 752), in order to provide for the construction, operation, and maintenance of additional features of the Talent division of the Rogue River Basin reclamation project, Oregon.

We recommend that this bill be enacted if amended as suggested hereinafter.

The works proposed by this bill would constitute a relatively small irrigation development, the main purpose of which would be storage of water to provide an additional water supply of about 4,620 acre-feet annually to the existing Rogue River Valley Irrigation District. This district is located in Jackson County in southwestern Oregon in the general vicinity of the towns of Medford, Central Point, and White City, and the lands to be served are in Bear Creek and adjacent drainages which are tributary to the Rogue River.

The proposed works consist of the Agate Dam and Reservoir on Dry Creek with a storage capacity of 4,600 acre-feet, the Antelope Creek diversion dam, a short diversion canal to the existing Hopkins Canal, and the Agate Feeder Canal for diverting Antelope Creek water from Hopkins Canal for storage in Agate Reservoir. Water released from Agate Reservoir would be diverted from Dry Creek into Hopkins Canal for delivery to the district lands using the existing distribution system. To protect the existing fishery resource, a fish ladder is proposed at the Antelope Creek diversion dam and also a fish screen at the head of the diversion canal. In addition, minimum recreational facilities are recommended for a site on the west side of Agate Reservoir.

The storage of both Antelope Creek and Dry Creek waters in Agate Reservoir would provide an average annual supply of approximately 4,450 acre-feet to irrigate 1,810 acres of dry land widely scattered throughout and intermixed with the presently irrigated lands of the Rogue River Valley Irrigation District. Also, some 170 acre-feet, on an average annual basis would be used as a supplemental supply for the 4,820 acres presently irrigated in the district. The supplemental water would be utilized only during certain water-short years at which time its application would have a significant influence on crops.

The Rogue River Valley Irrigation District is scheduled to receive 3,000 acre-feet of water from the presently authorized Talent division of the Rogue River basin project (Public Law 606, 83d Cong., 68 Stat. 752). This water would be utilized for district land on the west side of Bear Creek while Agate Reservoir water would be used on lands to the east of Bear Creek. On this basis, the existing Hopkins Canal and the distribution system of the irrigation district would be adequate to transport the new Agate Reservoir water. Other than the short diversion and feeder canals mentioned above, no new canals or distribution systems are contemplated.

The estimated cost of the proposed new works based on January 1959 prices is \$1,802,000. This includes \$27,100 for the fish facilities and \$20,000 for the

minimum recreation facilities. The allocation to fish and wildlife, which consists of the cost of facilities to mitigate any damages, would be nonreimbursable in accordance with existing law. The allocation to recreation would be nonreimbursable in accordance with established policy. The remainder of the total cost, of \$1,754,900, is allocated to irrigation and is reimbursable.

The farm budget studies based on production of livestock, livestock products, and fruit, primarily pears, indicate that the irrigators would be able to repay all existing obligations of the district, the annual irrigation operation, maintenance, and replacement costs (\$10,140) for the new proposed works, and \$933,000 on the irrigation allocation in a 50-year period following a 10-year development period. The remaining \$751,900 of the reimbursable cost could be repaid within the 50-year repayment period, using surplus power revenues from the Green Springs powerplant of the authorized Talent division.

The payout study indicates that all existing obligations of the Green Springs powerplant would be repaid to the Federal Treasury by fiscal year 2021 with some \$168,000 in surplus power revenues accumulating in that year. Each year thereafter an additional \$357,000 in surplus revenues would be available from the powerplant. It is estimated that repayment of the construction costs for Agate Dam and Reservoir would not be required, at the earliest, prior to fiscal year 2024. By that time, there would be sufficient power revenues available to accomplish full repayment of the irrigation cost.

The officials of the irrigation district have demonstrated support for and interest in the potential development. Due to population growth in the area, district lands have been lost to road relocations, subdivisions, and industrial expansion. New irrigated lands are needed to maintain the important agricultural economy of the area and to provide the necessary base to meet the obligations of the district. The potential development would aid in this respect as well as make more efficient use of available streamflows in dry years.

The studies demonstrate that the potential development is economically justified in that tangible benefits exceed costs. Based on a 100-year period of analysis, the total benefit-cost ratio is estimated to be about 3.5 to 1. The ratio is estimated to be about 1.6 to 1 based on direct benefits only for a 50-year period of analysis.

The annual cost of operating the fish facilities is estimated at \$650. To eliminate the need for making an annual nonreimbursable appropriation for this small amount, this cost would be met by the irrigators and, in turn, the irrigators' annual obligation for repayment of capital costs would be adjusted downward by the same amount. This adjustment in annual repayment would be subject to the consummation of a written agreement between the Department of the Interior and the Rogue River Valley Irrigation District which would require the district to operate and maintain the fish facilities during the development and repayment period in a manner satisfactory to the Secretary of the Interior.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

KENNETH HOLM,
Assistant Secretary of the Interior.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., June 13, 1961.

HON. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reply to your letter of February 21, 1961, requesting the views of the Bureau of the Budget on S. 1023, a bill to amend the act of August 20, 1954 (68 Stat. 752), in order to provide for the construction, operation, and maintenance of additional features of the Talent Division of the Rogue River Basin reclamation project, Oregon.

The purpose of the bill is clearly stated in its title.

The Bureau of the Budget would have no objection to the enactment of this legislation.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

Senator ANDERSON. The Chair is very happy to welcome Senator Neuberger and ask her to make any statement she wishes on the subject of the bill.

**STATEMENT OF HON. MAURINE B. NEUBERGER, A U.S. SENATOR
FROM THE STATE OF OREGON**

Senator NEUBERGER. Mr. Chairman and Senator Hickey, I greatly appreciate your action in calling this hearing on the bill which Senator Wayne Morse and I have introduced to authorize construction of Agate Dam and Reservoir as part of the Talent division of the Rogue River Basin project in southeastern Oregon.

On September 30, 1960, the Department of the Interior transmitted its report to the House and Senate on this worthwhile project. The report found the proposed plan engineeringly and economically justified. The plan of development calls for a comparatively small reservoir to conserve and regulate the waters of Dry Creek and Antelope Creek for irrigation use in the area served by the Rogue River Irrigation District. The water supply will be used to supplement present supplies for irrigated land and to extend irrigation service to an additional 1,810 acres.

This section of Oregon is famous for the high quality of its pears, grown on irrigation land. This new project will make possible the expansion of pear orchards in the Medford vicinity and add to other farm income through increased production of alfalfa hay, milk, dairy animals, poultry products, and ladino cloverseed. Total project costs are estimated at \$1,802,000, including minimum basic recreation facilities and fish facilities at the Antelope Creek diversion dam. The project has a very favorable benefit-to-cost ratio of 2.76 over a 50-year period.

The acute need for this project is illustrated by the rainfall pattern of the vicinity. Although annual rainfall is approximately 18 inches, the records show only 1.33 inches fall during the important growing months of June, July, and August. Water retained at Agate Reservoir during the early spring months can be used for crop production if this project becomes a reality.

There is every indication of strong local support for this additional development of Oregon water resources. The technical and engineering justification will, I am sure, be ably presented to you by experts from the Department of the Interior at this hearing.

As part of the hearing record, Mr. Chairman, I would like to include with my remarks a letter which I received from the Oregon State Water Resources Board which urges early action on the proposed Agate Dam and Reservoir project. I hope that your committee will find it possible to favorably report on S. 1023 at an early date.

I would like to have included this letter from Mr. Donel J. Lane, secretary of the Oregon State Water Resources Board, regarding this project.

(The letter referred to follows:)

STATE OF OREGON,
STATE WATER RESOURCES BOARD,
Salem, April 24, 1961.

HON. MAURINE B. NEUBERGER,
HON. WAYNE MORSE,
U.S. Senators,
Senate Office Building, Washington, D.C.

DEAR SENATORS NEUBERGER AND MORSE: The Oregon State Water Resources Board respectfully requests your favorable consideration of the Bureau of Reclamation's proposed project, Agate Dam and Reservoir, Talent division, Rogue River Basin project, Oregon. The project will be an integral part of the Rogue River Basin project, Talent division, which was authorized by the act of August 20, 1954 and is now nearing completion. The project is described in House Document 39, 87th Congress, 1st session.

The proposed irrigation project is located in Jackson County, Oreg., near the city of Medford within the boundaries of the existing Rogue River Valley Irrigation District, local sponsors of the project. The plan involves construction of Agate Dam on Dry Creek to impound 4,600 acre-feet of storage to provide an adequate water supply for 1,810 acres of new lands and a supplemental supply for 4,820 acres of presently irrigated land. The new works would be built within the present district's water supply canal system which would make possible a savings in water through improved distribution and reregulation. Facilities for improving efficiency of water use is most important in this area where the average annual precipitation is approximately 18 inches and totals only 1.33 inches fall during June, July, and August.

The project plan has received approval of all Oregon commenting agencies including those responsible for facilities provided to accommodate fish and wildlife. A 100 acre-foot minimum storage pool with a surface area of 18 acres should enable a fishery to develop. Fish passage facilities and screens at the diversion canal have been provided for in the report. The hot summer climate of the area encourages aquatic recreation which is provided for at a cost of \$20,000 for minimum basic facilities.

Rogue River Valley Irrigation District officials and representatives strongly support the project and have expressed willingness to pay the \$993,000 or 57 percent of the irrigation allocation within a 50-year repayment period following a 10-year development period. The report indicates the remaining \$761,900 of the reimbursable cost could be repaid within the 50-year repayment period using surplus power revenues from the Green Springs powerplant of the authorized Talent division of which this project is an integral part.

The proposal has an extremely favorable benefit-to-cost ratio based on both 100- and 50-year periods of analysis being 3.49 to 1 and 2.76 to 1.

We have been informed by the District Engineer, Portland District Corps of Engineers, U.S. Army, that this project would have no effect on projects under consideration by the Corps of Engineers. In response to our question, the district engineer stated that in view of the limited acreage involved, he saw no reason, from an engineering standpoint, to believe that authorization and construction of Agate Dam would have any material effect on the potential Lost Creek or Elk Creek projects or any other project which might be studied by his office.

Commenting for the State of Oregon, the State water resources board has recommended early authorization and construction of the Agate Dam and Reservoir, Talent division, Rogue River Basin project, Oregon.

Very truly yours,

DONEL J. LANE, *Secretary.*

Senator NEUBERGER. It is of great interest to Senator Morse and me to have some of our constituents here today who live in this area, who are pear orchardists and cattlemen in this area. I will introduce them now.

We have Mr. Frank Van Dyke, the attorney for the irrigation district. Mr. Van Dyke served as speaker of the house of representatives in the Oregon Legislature and served with my husband there.

Also present is Mr. Harold Sexton, with this group also, and Mr. Leonard Freeman, a cattleman, and Mr. Gordon Kershaw, a nurseryman and farmer.

I presume you would like to have Senator Morse appear before these people testify.

Senator ANDERSON. May I just ask you how large a project this is, Senator Neuberger?

Senator NEUBERGER. Do you mean in dollars?

Senator ANDERSON. Yes.

Senator NEUBERGER. Well, the information given is that it is \$1,802,000. It has a very good benefit-to-cost ratio which I think is of interest in this particular project.

Senator ANDERSON. And the reason that you are not bringing this under the Small Projects Act is because this is an addition to an established project?

Senator NEUBERGER. That is right, the Talent project, of which this is a part.

Senator ANDERSON. Thank you.

Senator Morse?

STATEMENT OF HON. WAYNE MORSE, A U.S. SENATOR FROM THE STATE OF OREGON

Senator MORSE. Mr. Chairman and members of the subcommittee, I appreciate having the opportunity to testify on behalf of another very meritorious Oregon reclamation project—Agate Dam.

My statement will be brief, because I wish to give to the very able Oregon witnesses—Messrs. Van Dyke, Sexton, and Freeman—ample opportunity to provide the subcommittee with the basic facts in support of the project. However, I think I owe it to the people of my State to make this statement to the chairman of this committee, with whom I have worked now for some years in the Senate.

I would like to have this record show that we are deeply appreciative of the fair and impartial consideration that you have always given to every Oregon project that we have brought before you. I always, as you know, appear on the merits of a recommendation from Oregon, and I ask only for consideration on the merits, knowing that I am going to get complete and fair treatment from the Senator from New Mexico on the merits.

But in behalf of the people of my State, I want to thank you, sir, for the great assistance that you have been to us on meritorious projects in the past.

We have another one here—Agate Dam—an additional feature of the Talent Division of the Rogue River Basin reclamation project which would be located on Dry Creek in the Rogue River Basin. Its construction would provide a storage capacity of 4,600 acre-feet. Water would be stored in the dam during periods of water abundance and, when needed for irrigation purposes, would be released into Hopkins Canal for delivery to lands within the Rogue River Valley Irrigation District.

The water stored in the reservoir would irrigate approximately 1,810 acres of dry land situated within the boundaries of the district and would supply approximately 170 acre-feet on an average annual basis for supplemental use by acres presently irrigated.

The farmers within the Rogue River Valley Irrigation District produce important orchard crops, as well as alfalfa, pastures, garden produce, and seeds. These crops are of great importance to the economy of the area and of the State of Oregon. The project has received strong support not only from the irrigators, but also from the Oregon Water Resources Board.

Senator Neuberger has already presented for the record a letter dated April 24, 1961, addressed to both her and to me by Mr. Donel J. Lane, secretary of the Oregon Water Resources Board.

The estimated cost of the proposed new works, based on January 1959 prices, is \$1,802,000. Included within this total are two non-reimbursable items of \$27,100 for fish facilities and \$20,000 for recreational facilities. Of the remainder, \$993,000 would be repaid by irrigators during a 50-year period following a 10-year development period.

The remaining \$761,900 of the reimbursable cost would be repaid through the use of surplus power revenues from the Green Springs powerplant of the authorized Talent project. The use of revenues would not be required, however, until approximately the year 2024. At that time there would be sufficient power revenues available to repay fully the irrigation cost.

The project has an excellent cost-benefit ratio and because of its importance to our generation and future generations of Americans, I urge the subcommittee's prompt and favorable consideration of the proposal envisaged in our bill S. 1023.

We have these expert witnesses from our State, Mr. Chairman, who have lived with this project, who know it thoroughly, Mr. Chairman, and I would be very delighted to have them have an opportunity to present their case to you.

I shall be glad to answer any questions I can.

Senator ANDERSON. Senator Hickey?

Senator HICKEY. Do you consider this basically a supplemental supply dam?

Senator MORSE. Yes, I do, and I think it is an inseparable part of the Talent project which has already been authorized. It is a case, in my judgment, of supplementing the Talent project, and I think getting the greatest return out of the dollars we are going to spend on the Talent project.

Senator HICKEY. Would it basically be a supplemental supply to water rights that are already vested in the people you speak of?

Senator MORSE. I will leave that question for Mr. Van Dyke because he is thoroughly familiar with the water law problems of this project and I am not going to curbstone on it.

Senator HICKEY. Thank you.

Senator ANDERSON. But it would be your opinion that the amount of water that is available is sufficient for the Talent project and for this addition to it?

Senator MORSE. I do not think there is any doubt about that.

Senator ANDERSON. We will ask that question of the Bureau of Reclamation, but it is your opinion that there is plenty of water there?

Senator MORSE. I think there is a report in, and I think you will find that they think this is a sound project.

Senator ANDERSON. Thank you, Senator.

Senator MORSE. Thank you.

Senator ANDERSON. We will turn now to Mr. Palmer, Assistant Commissioner of Reclamation.

Mr. Palmer, is there sufficient water for this 1,800-acre small addition to the existing project?

STATEMENTS OF W. I. PALMER, ASSISTANT COMMISSIONER OF RECLAMATION; ACCOMPANIED BY D. R. BURNETT, CHIEF OF PROJECT DEVELOPMENT; AND FRED GUGEL, ENGINEER, PROJECT DEVELOPMENT DIVISION

Mr. PALMER. Yes, sir; Senator.

Senator ANDERSON. Without jeopardizing in any way the rights of people who are now there?

Mr. PALMER. It will not jeopardize existing rights.

Senator HICKEY. Will these be supplemental to existing rights?

Mr. PALMER. This reservoir will provide a full supply to some 1,810 acres of new land, and a small amount of supplemental water.

Senator ANDERSON. You may proceed with your statement. I did want to try to clear that question up. Senator Hickey was quite right in trying to find out what sort of rights these people were going to get.

Mr. PALMER. Yes, sir.

The report of the Department of Interior recommending enactment of legislation to authorize the construction of Agate Dam and Reservoir was sent to the committee on June 16, 1961. The Bureau of the Budget advised that there is no objections to the submission of the report to this committee.

We are here to support the Department's recommendations, to present factual data on the proposed project, and to answer any questions the committee may have on the proposal.

Senator ANDERSON. Is the Department's recommendation favorable?

Mr. PALMER. The Department's recommendation is favorable and the report of the Bureau of the Budget was also.

Senator ANDERSON. You said the Bureau of the Budget said there was no objection to the submission of the report?

Mr. PALMER. I beg your pardon, sir. In writing us they said they had no objection, but I believe in their communication to the committee they took the position that they favored it.

Senator ANDERSON. All right.

Mr. PALMER. The feasibility report on Agate Dam and Reservoir was sent to the Congress for consideration on September 30, 1960. It included the report of the Bureau of the Budget dated August 25, 1960, which indicated that there would be no objection to the submission of the report to the Congress. The report was printed as House Document No. 39, 87th Congress.

Agate Dam and Reservoir would be an addition to the existing irrigation works of the Rogue River Valley irrigation district. The primary purpose of the new facilities would be to provide an adequate irrigation water supply to 1,810 acres of dry land scattered throughout the district, and a supplemental water supply to 4,820 acres presently irrigated within the district which suffer infrequent but nevertheless significant shortages. Fish and wildlife and recreation are other functions of the proposed development.

If you glance at the map, you can see the yellow areas which will give you a general notion of the new lands which will be irrigated. They are all located within the external boundaries of the Rogue River irrigation district.

The green lands are lands already irrigated.

The Rogue River Valley irrigation district lands are located north of the town of Medford and generally east and west of the town of Central Point in the Bear Creek and adjacent drainages of the Rogue River Basin. This is an excellent farming area and is famous for the production of high-quality pears.

Pear production and dairy farming are the most prevalent types of full-time farming now served by the Rogue River Valley irrigation district. The lands to be irrigated under this proposal will probably develop in the same pattern. At present they are used only for dry-land hay and grazing.

This particular district participates in the water supply furnished by the Talent division, Rogue River Basin project, which was authorized as a Federal reclamation project by Public Law 606, 83d Congress, approved on August 20, 1954 (68 Stat. 752).

This same act authorized the rehabilitation of storage works and major canals which are utilized by the irrigation district. Agate Dam and Reservoir would be the next step in the logical development of irrigation works of the district.

The Medford area is one in which population is increasing at a rather rapid rate. As a result, there has been considerable subdivision of the district lands, and some irrigated lands have been taken out of production to make way for roads, housing subdivisions, and industrial expansion. New irrigated lands are needed within the district to help maintain the agricultural economy of the area, and to broaden the base of the irrigation district to enable it to carry its irrigation obligations, primarily in the field of economic and effective operation and maintenance. The proposed development would be a step forward in achieving these ends.

Agate Dam, located on Dry Creek, would be a rolled earthfill structure with a maximum height of 73 feet above streambed. The reservoir would have a total capacity of 4,600 acre-feet, of which 4,500 would be active for irrigation storage and 100 acre-feet would be dead storage.

Other proposed irrigation works are Antelope Creek diversion dam, a major diversion canal, and the Agate feeder canal. To mitigate fish damages a fish ladder and fish screen would be constructed in conjunction with Antelope Creek diversion dam. Also, minimum recreation facilities as recommended by the National Park Service would be constructed at Agate Reservoir.

I will ask Mr. Gugel, who is here, to outline briefly the features on the map and what they will do.

Mr. GUGEL. There are two main tributaries involved here. Butte Creek comes from the east at the northern end of the project area, to join Rogue River.

Bear Creek comes from the southeast, through the town of Medford, and joins the Rogue River. The facilities of the Talent Irrigation District are built on the headwaters of Bear Creek and serve lands to the south and west primarily of this area.

Senator ANDERSON. Where is the dam that now serves the area?

Mr. GUGEL. The dam which now serves the land is upstream from Medford or the Talent irrigation works, with headwaters at Bear Creek and in the adjacent Klamath drainage basin.

Senator ANDERSON. Where will this dam be built?

Mr. GUGEL. This dam is offstream on a small tributary called Dry Creek.

Senator ANDERSON. The name Dry Creek would scare us to death in New Mexico. It probably doesn't mean anything in Oregon.

Mr. GUGEL. At present, the Medford Irrigation District is served primarily by diversion of Butte Creek, with the Hopkins Canal, flowing generally southward and westward around the periphery of the area.

Senator ANDERSON. Where is the so-called Talent division that we are talking about?

Mr. GUGEL. That is on Bear Creek, upstream from Medford. This is the Rogue River Irrigation District area. They get their water primarily from Butte Creek, diverted through the Hopkins Canal, serving all those lands.

The present plan is to divert flows of this tributary which is Antelope Creek at this point [indicating on map]—

Senator ANDERSON. At a point where? Again, we are not going to be able to see it in the record.

Mr. GUGEL. At a point generally northeast of Medford. The water of Antelope Creek would be diverted into the Hopkins Canal. About 1 mile downstream from there it would be again diverted into the proposed Agate Dam and Reservoir.

Releases from this reservoir would flow down Dry Creek and again be picked up in Hopkins Canal for service to the project lands.

Senator DWORSHAK. I would like to have you explain why the yellow is intermingled with the green on your map. Why were not solid areas irrigated when the previous projects were built? How do those green lands along Hopkins Canal get watered?

Mr. PALMER. Senator, this is a fairly old irrigation area, and the yellow lands are all located within the boundaries of the district. The owners did not petition or did not want irrigation at the time the original area was developed.

Subsequently, they have developed a real interest in irrigation, a real desire to benefit from irrigation.

Senator DWORSHAK. When was that original project started?

Mr. PALMER. The Hopkins Canal is not a Federal development. It is an old private canal.

Senator ANDERSON. That still does not answer the question. He asked when.

Mr. PALMER. I don't have the date. We can get it for you if you wish.

Senator DWORSHAK. Has the Federal Government invested any money in the Hopkins Canal?

Mr. VAN DYKE. I think it was 1923.

Senator ANDERSON. Do we understand that the Hopkins Canal was built about 1923?

Mr. SEXTON. The Hopkins Canal was started around the turn of the century and the district, itself; is this all right?

Senator ANDERSON. Please state your name for the record.

Mr. SEXTON. I am Harold Sexton.

The canal was originally started about 1900 as what you might call an early private venture and the farmers took it over in its entirety in about 1931. That was the transition period. The canal is the oldest major irrigation system in this whole area of Oregon or one of the oldest in the State, the original facilities.

Senator ANDERSON. How do you account for those yellow areas?

Well, I was going to ask how you account for those yellow lands. Was the cost of subjecting them to irrigation a little bit high in the beginning? I see it is \$1,000 an acre roughly now. Is it the fact that you can pay about half of this cost out of power revenues from the Talent project that makes this now attractive?

Mr. SEXTON. I would like to buck that over to the Bureau, if I may?

Senator ANDERSON. Well, you said they weren't irrigated because of a lack of desire. Sometimes the lack of desire is based on excessive cost.

Mr. PALMER. In the original development, and in the subsequent expansion of the lands in the district, there was some landowners who did not want in. There always are. They are wanting irrigation now when the highest cost has been attained.

What I am getting at, Senator, is that these were lands that perhaps were doing well under dry farming of the crops they produced in the area and did not petition into the district at the time it was organized as an irrigation district.

Senator ANDERSON. When did the Talent division get built?

Mr. PALMER. It was authorized in 1954, and is now nearing completion, the Talent division.

Senator ANDERSON. So there has been no actual irrigation in the Talent division yet from this particular set of works?

Mr. PALMER. They get some benefits from it, Senator. This was, again, the Talent division, an old irrigated area, and part of it was rehabilitation and betterment and part of it was total new supply.

But as far as this district we are now talking about, the Rogue River Irrigation District, is concerned, it, too, as the map would indicate, the green lands, has been under irrigation for a long time and they do get some water from the Talent division.

Senator ANDERSON. Are we to understand that the pieces of ground that are colored in yellow on the map which has been brought by the Bureau of Reclamation as an exhibit are the lands which will be now irrigated under the Agate project?

Mr. PALMER. That is correct.

Senator ANDERSON. And they total what?

Mr. PALMER. 1,810 acres.

Senator ANDERSON. The total cost of the project is \$1,800,000, so the cost is about \$1,000 an acre, about half of which will be paid by the owner of the land and the other half plus some additions for other things will be realized eventually from the power revenues of the Talent project?

Mr. PALMER. That is right. Actually, it is about 57 percent of the cost of the irrigation allocation to be paid back by the irrigators.

Senator ANDERSON. Fifty-seven percent? It is \$1,800,000 and they are going to pay \$993,000?

Mr. BURNETT. But there is \$47,000——

Senator ANDERSON. He said 57 percent of the cost of this improvement was to be paid by the people who were the irrigators?

Mr. PALMER. That is correct.

Senator ANDERSON. Fifty-seven percent would be \$1,027,000. Are they paying \$1,027,000?

Mr. BURNETT. They are actually paying \$993,000. There is \$47,000 of that \$1,802,000 that is nonreimbursable for fish and wildlife and recreation.

Senator ANDERSON. Would you say, then, that the irrigator was paying that?

Mr. BURNETT. No, sir.

Mr. PALMER. Of the irrigation allocation. If you reduce the total cost of the project by the specific allocation of fish and wildlife, and the specific allocation to recreation, then the amount of the total irrigation allocation to be repaid by the irrigator would be 55 to 60 percent.

Senator ANDERSON. I am not quarreling with that. This is a very easy and good project. I just have trouble keeping my mathematics straight. That is all.

Mr. PALMER. The reason I qualified this a little bit, Senator, is that the full new supply lands will pay the equivalent of approximately \$16 an acre per year.

Additionally, the supplemental lands pay 26 cents an acre a year.

Senator ANDERSON. How much supplemental land is in this? What color is that on the map?

Mr. PALMER. All of the land now irrigated in this district will pay the 26 cents an acre a year. So you see, part of the benefit goes to the 4,800 acres.

Senator ANDERSON. 1,800 acres will be new lands?

Mr. PALMER. Total new land.

Senator ANDERSON. How much is supplemental land?

Mr. PALMER. 4,820.

Senator ANDERSON. Where is that on the map?

Mr. PALMER. The green land on the map.

Senator ANDERSON. You are going to give to the green land on the map that is now irrigated the supplemental water. Is it now in the Talent district?

Mr. PALMER. It is now in the Rogue River Irrigation District. It is not part of the Talent division. That is how I am trying to draw the distinction.

Senator ANDERSON. How would we find out what is in the Talent division from that map?

Mr. PALMER. You cannot from that map. That is why I handed you this smaller map. The map on the wall covers the area below the canal line.

Senator ANDERSON. If you would identify the canal line for the record it will be easier. This "canal line" doesn't mean a thing when you pick up the record to read it later.

Mr. PALMER. Roughly below the Hopkins Canal. The map on the wall, in other words, is the area north of the Hopkins Canal.

Senator ANDERSON. Now, do we have it clear, that there is a Rogue River Irrigation District, that in that there will be 4,824 acres of land which will get supplemental water?

Mr. PALMER. Water and benefits. Let's leave it a little bit loose. I will describe that in a second.

Senator ANDERSON. This is land that is now being irrigated?

Mr. PALMER. That is right.

Senator ANDERSON. Apparently that answers Senator Hickey's question of a moment ago. It has some water rights now, and it is receiving water now?

Mr. PALMER. That is right.

Senator ANDERSON. In addition to that, you will take 1,800 acres of land that is now dry land and put water on it for the first time?

Mr. PALMER. That is correct.

Senator ANDERSON. And the total benefits of all kinds is \$1,800,000, roughly, of which the irrigators will pay some \$993,000.

You say that in that payment, this 4,824 acres will pay about 26 cents an acre a year, because that is supplemental water, and the people who have the 1,800 acres will pay about \$15 or in the neighborhood of \$16 per year because they are getting a full supply for irrigation?

Mr. PALMER. That is correct.

Senator ANDERSON. Now, knowing what you do about crops and yields in that area, does this \$16 appear like a reasonable charge that can be paid?

Mr. PALMER. It is, Senator Anderson.

Senator ANDERSON. It is rather high, isn't it?

Mr. PALMER. It is high. This is a high-value crop area. As soon as it gets into irrigation, the preponderance of it goes into specialty crops like seeds and pears.

Senator ANDERSON. So they can afford to pay \$16 an acre for a dependable water supply?

Mr. PALMER. The Bureau's analysis indicates this is well within their ability to pay. It does evidence, however, a real fine attempt or effort on their part to shoulder the load and pay to the extent of their ability to pay.

Senator DWORSHAK. Is that for construction alone or does it include operation and maintenance?

Mr. PALMER. This is the total payment. It includes operation and maintenance. We can break it down if you wish.

Flows of both Dry Creek and Antelope Creek would be stored in Agate Reservoir. Antelope Creek water would be diverted through a short canal to the existing Hopkins Canal. From the Hopkins Canal it would be rediverted into the Agate feeder canal which would carry the water into the reservoir for storage. When needed, the water would be released from the reservoir into Dry Creek from which it would be diverted into the Hopkins Canal. Water would be delivered to project lands using existing canal and distribution systems.

The new lands are intermingled with existing lands of the irrigation district and minor extensions of the distribution system by the irrigators would be all that is necessary to serve them.

Agate Reservoir, in conjunction with the utilization of surplus flows in Bear Creek, would provide an average annual water supply of 4,620 acre-feet of water, mostly usable in irrigating the 1,810 acres of new land. Supplemental irrigation, although not significant in terms of total acre-feet, becomes important to insure the reliability of crop production in the infrequent years of water shortage.

Senator ANDERSON. What does a crop out there require in the way of water, the specialty crop, two and a half acre-feet?

Mr. PALMER. Yes, that is a good figure.

Mr. BURNETT. 2.48 acre-feet.

Senator ANDERSON. That is close to two and a half.

Mr. PALMER. Yes, sir.

All existing water rights on both Antelope and Dry Creeks would be adequately protected if Agate Dam and Reservoir were authorized and constructed. The Rogue River Irrigation District would, in accordance with State laws, obtain water rights to successfully operate the proposed development and to this end filed the necessary applications in 1955.

The total estimated construction cost is \$1,802,000, based on January 1959 prices which are essentially the same as January 1961 prices. The specific cost of fish and wildlife facilities is \$27,100 and basic facilities for recreation are estimated at \$20,000. Both are considered as being nonreimbursable.

Recreation facilities would be constructed only if a local agency agrees to operate and maintain them at no expense to the Federal Government. The allocation to irrigation is the remainder of the \$1,802,000 or \$1,754,900, and is reimbursable.

Annual operating costs of the new facilities are estimated at \$11,640. Of this total \$10,140 is allocated to irrigation, \$850 to recreation, and \$650 to fish and wildlife.

Senator ANDERSON. If the local agency is going to agree to operate and maintain them at no cost to the Federal Government, why should there be a charge in there for that?

Mr. PALMER. On the operation and maintenance, this would be the allocation of the operation and maintenance cost of the main dam, of the dam and reservoir. The operation and maintenance that we would insist that the local agency pick up for recreation would be the cost of the specific works that would be constructed, the minimum basic facilities.

Economic feasibility of the Agate Dam and Reservoir is demonstrated by a benefit-cost ratio, based on a 100-year analysis, of 3.49 to 1. A 50-year study using direct benefits only shows the ratio to be 1.60 to 1.

Senator ANDERSON. This is substantially higher than the average of benefit ratios, is it not?

Mr. PALMER. Yes.

Senator ANDERSON. So you regard this as a good project?

Mr. PALMER. A very good project.

Studies show that the irrigators could pay their existing costs, the operating cost of the new facilities, and in a 50-year period following a 10-year development period probably repay \$993,000 of the capital cost allocated to irrigation.

The remaining \$761,900 of the irrigation allocation would be repaid from power revenues from the existing Green Springs powerplant which is a feature of the Talent division. Following repayment of all reimbursable costs of the existing authorized Talent division, it is estimated sufficient power revenues would be available to meet the \$761,000 Agate Dam and Reservoir cost within the repayment period.

Senator KUCHEL. When would the repayment of all authorized costs of the existing Talent division take place?

Mr. BURNETT. Payout, including financial assistance for the Talent division irrigation, will be completed in 2021, 60 years from now. That is provided for in the authorizing legislation.

Senator ANDERSON. Then it picks up this burden at that time?

Mr. BURNETT. Yes, and this burden would take about 2 years more.

Senator ANDERSON. Two years more?

Mr. BURNETT. That is correct.

Mr. PALMER. It is contemplated that the nonreimbursable fish and wildlife annual operating cost would be paid by the irrigators. This would make an annual Federal appropriation for this small amount unnecessary. To maintain equity, the irrigators would be given a corresponding credit on their irrigation payments.

The Agate Dam and Reservoir studies were carried out in cooperation with the officials of the Rogue River Valley Irrigation District. This proposed development has the full support of that organization and the potential irrigators.

Consideration of all the facts leads to the conclusion that Agate Dam and Reservoir would be a valuable addition to the irrigation works of the Rogue River Valley Irrigation District, a fully justified and feasible reclamation project, and a good investment for the benefit of the Nation, State, and local area.

We recommend favorable consideration of the authorizing legislation by this committee.

Senator ANDERSON. Are there any questions?

Senator DWORSHAK. Mr. Palmer, is there any basis in existing law that gives the irrigation cost allocation for such a project any claim to the surplus power revenues?

I sense that it is not on the same stream. How many miles is it from the location of this small reservoir to the reservoir that will generate the power?

Mr. PALMER. Senator, if you would have a look at this map, this is the Talent division as authorized.

Senator DWORSHAK. So this is part of the authorization?

Mr. PALMER. Yes, sir.

Senator DWORSHAK. How far is it from this dam that you are proposing to build to the powerplant? How many miles is it?

Mr. PALMER. This is the Agate Dam [indicating] and this is the collection system.

Senator DWORSHAK. Where is the powerplant that is to pay for it?

Mr. PALMER. Right here [indicating].

Senator DWORSHAK. Is there any basis in existing law for using those power revenues?

Mr. PALMER. We believe, sir, that the Talent authorization is sufficiently broad and with this legislation it would be clearly permitted.

Mr. BURNETT. This authorization legislation specifically provides that financial assistance be obtained from the powerplant revenues.

Senator DWORSHAK. How much power is generated at that powerplant?

Mr. BURNETT. It is a 16,000-kilowatt-capacity plant.

Senator DWORSHAK. Is that output handled by Bonneville Power Administration?

Mr. BURNETT. No, sir; it is by contract with the California-Oregon Power Co. They operate the plant and do their own transmission from the switchyard.

Senator DWORSHAK. I thought Bonneville Power distributed all of that power in the area?

Mr. BURNETT. Bonneville Power Administration does not operate in the Rogue River Valley area.

Senator DWORSHAK. How near by are its nearest transmission lines?

Mr. BURNETT. I would have to supply that for the record.

(The following information was subsequently supplied:)

The closest Bonneville Power Administration transmission lines are located at Reston, Oreg., and Yamsay, Oreg., both about 80 miles from the project area.

Senator DWORSHAK. I am always amazed, Mr. Chairman, that whenever we have any kind of a project proposed in Idaho we immediately become embroiled in a public versus private power controversy. But when they build these projects in any other area of the Northwest that controversy never arises.

They live happily together, whether it is Bonneville Power or whether it is private power utilities. They seem to understand each other and the signals they use. Maybe that is commendable. But when we get out into Idaho, before they even consider the merits of a project, immediately they want to know whether it is part of an overall public versus private power feud.

Senator KUCHEL. I want to say to my good friend and colleague that I can testify to some little disputation in the State of California on that subject, too, you know.

Senator DWORSHAK. Then we have company.

That is all I have, Mr. Chairman.

Senator KUCHEL. When was that powerplant that Senator Dworshak was talking about authorized?

Mr. PALMER. The Green Springs?

Senator KUCHEL. Yes.

Mr. PALMER. In the act of 1954.

Senator ANDERSON. August 20, 1954.

Senator KUCHEL. When was it completed?

Mr. BURNETT. It was actually put in operation last fiscal year, this being July, but only on irrigation releases. It goes into full-time operation this present fiscal year.

Senator KUCHEL. You have a contract with a private utility to purchase and to operate for the Government?

Mr. BURNETT. Yes, sir.

Senator KUCHEL. Is any of that power available for preference customers?

Mr. BURNETT. No, sir; it is all sold to this one company which operates the plant.

Senator ANDERSON. When is the powerplant going to start producing power for sale?

Mr. PALMER. It has this past year on the basis of irrigation releases alone. This fiscal year it will go into full production.

Senator ANDERSON. When? Two or three days ago?

Mr. BURNETT. I don't have the exact date.

Senator ANDERSON. It didn't start July 1, did it?

Mr. PALMER. No.

Senator ANDERSON. Nor the 2d?

Mr. PALMER. No, sir.

Mr. BURNETT. It was operated last summer.

Mr. PALMER. We will supply the date it went into service.

Mr. BURNETT. In May 1960.

Senator ANDERSON. May 1960?

Mr. BURNETT. Yes, sir.

Senator ANDERSON. But that was only a small running of the powerplant in order to take care of irrigation needs?

Mr. BURNETT. Only to the extent that irrigation water was released through the plant, because we did not have the regulation from the upstream reservoir.

Senator ANDERSON. Is it now completed?

Mr. BURNETT. No, sir; the reservoir will be completed in this fiscal year.

Mr. PALMER. With the completion of the reservoir, the powerplant with regulated water can go into full production.

Senator DWORSHAK. What is the Bureau getting for the power generated at Green Springs?

Mr. BURNETT. For peaking energy, $7\frac{3}{4}$ mills, and for offpeak energy, $2\frac{1}{2}$.

Senator DWORSHAK. It is an average rate of about 5 mills. Would you consider that there would be more peaking or more dump?

Mr. BURNETT. More peaking, probably.

Mr. PALMER. It would have an average of about 6 mills.

Senator ANDERSON. Are there additional questions?

If not, thank you very much.

Mr. Van Dyke?

STATEMENT OF FRANK J. VAN DYKE, ATTORNEY FOR ROGUE RIVER VALLEY IRRIGATION DISTRICT

Mr. VAN DYKE. Mr. Chairman and Senators, we are very grateful to you and to Senators Neuberger and Morse for making it possible for us to appear before you this afternoon. We do want you to know that we are grateful for this chance to appear in conjunction with the hearing we had this morning before the House committee.

To us, this project is of vital concern because we have had several years of water shortage. Our concern is evidenced by the fact that four of us have made the 3,000-mile trip from Oregon to be present on this occasion.

We feel that since most of the technical aspects of this proposal have been presented by the gentlemen from the Bureau of Reclamation, it would be of greater interest to you to hear from those who will actually benefit from this project, who will give you an explanation of the types of crops and why we need it and things of that nature. With your indulgence, gentlemen, I would appreciate the opportunity of presenting to you our witnesses.

Senator ANDERSON. Do you mind testifying a little bit yourself first?

Mr. VAN DYKE. I was wondering if I could conclude. These gentlemen are prepared to give the full information on this thing. I know it, too, but they came back here for the purpose of presenting it, and I didn't want to repeat, if that is all right.

Senator ANDERSON. You are the attorney?

Mr. VAN DYKE. Yes, sir; and I have a statement, if the chairman please. We have a statement from the president of the irrigation

district, Mr. Otto Bonnert, who regrets not being here. He is a seed man. He is concerned with this. He was unable to be present because this is the time when he is harvesting his seed crop. He just could not get away. Some of his machinery broke down, so he had to stay there.

However, we do have two members of our board, and we have our secretary-manager. I think the way we have it prepared, Mr. Chairman, I think they will cover all these points and I was going to close with the legal end of it, if that is agreeable with you.

Senator ANDERSON. All right. I was going to open with the legal end, but we will proceed in the manner you suggest.

Mr. VAN DYKE. Thank you. May we call first on Mr. Leonard Freeman. I want to say that Mr. Freeman for the past 15 years has been with the Federal land bank committee in Jackson County and has also served on other financing boards and is familiar with the farmers, the farmers' problems. He is the director of an irrigation district, one of our directors, and is a water user and is directly involved in this project.

Senator DWORSHAK. Before he starts, you refer to an irrigation district. Is that one that encompasses the entire area or do you have several small districts within the overall district?

Mr. VAN DYKE. We are concerned with what is known as the Rogue River Valley Irrigation District, which is shown on the map of Rogue River Basin project, Oregon, Agate Dam and Reservoir, which is the map shown in the hearing room.

Senator ANDERSON. Yes, but you do not cover in that map all of the Rogue River Basin project, do you?

Mr. VAN DYKE. No, sir; we do not. Of course, we are concerned with our district, which is one of three districts which are involved in the Rogue River Basin project. But this is part of this project.

Senator ANDERSON. Could we have the names of the three districts involved?

Mr. VAN DYKE. Yes, sir. The three districts that are involved—I am sorry we do not have a larger map.

Senator ANDERSON. Just give us the names, if you will.

Mr. VAN DYKE. The names of the irrigation districts are the Talent Irrigation District which, if we had a map, would be down in this area right about here [indicating]—

Senator ANDERSON. That does not show for the record.

Senator DWORSHAK. That is still in Oregon?

Mr. VAN DYKE. Yes; still in Oregon.

Senator ANDERSON. Would you mind starting again now and say that it is in a certain direction from some point?

Mr. VAN DYKE. The Talent Irrigation District is situated in that part of the Rogue River Valley which is southeasterly of Medford and encompasses an area which our district manager, I think—how many acres would you guess?

Mr. SEXTON. I would not guess, but I would say it is around 15,000.

Senator ANDERSON. That has no financial relationship to this project?

Mr. VAN DYKE. None whatsoever, except insofar as it is tied in with the Rogue River Basin project, the overall project.

Senator ANDERSON. Talent is 15,000 acres. What is the next division?

Mr. VAN DYKE. The next division is the Medford Irrigation District, and it is about 10,000 acres. We are the little one. We are this district and we are about 5,000 acres. A question was asked a moment ago about why these yellow lands are shown, and the answer is—

Senator ANDERSON. They were not brought in at the time of the rest of the operation.

Mr. VAN DYKE. That is right. It was a private operation for many years, as was indicated by Mr. Harold Sexton. At that time, the importance and need of irrigation was not emphasized to the degree it has been now. Frankly, we have progressed as far as our agriculture is concerned, and we have found that we can produce seeds and nonsurplus crops if the Senator please. All the crops that will be produced in this are fruits, seeds, and grasses, crops of that nature, which are not in the surplus category.

Senator ANDERSON. This was a private operation until 1931.

Mr. VAN DYKE. Yes.

Senator ANDERSON. Did it go through the financial wringer with many other things about that time? Is that what happened?

Mr. VAN DYKE. No. The irrigation districts were all organized at or about that time, and they simply took over. They bought it. I imagine that they did have financial difficulties, too, but I know that the private interests at that time sold out.

The Medford Irrigation District and the Rogue River Valley Irrigation District operate all this part of the project that is shown back up here by this main canal, this so-called Hopkins Canal, that goes way back up in that area.

Does that help clarify the situation?

Senator ANDERSON. Yes.

Senator DWORSHAK. What crops are being produced currently on the 1,800 acres of dry land?

Mr. VAN DYKE. The farmers could answer that better than I can, Senator. They will be in a position to answer it more accurately than I can, I think.

(Mr. Van Dyke's prepared statement follows:)

STATEMENT OF FRANK VAN DYKE, ATTORNEY FOR ROGUE RIVER VALLEY IRRIGATION DISTRICT

Oregon provides a favorable legal climate for reclamation projects. The first law concerning irrigation was known as the 1895 Irrigation Act which stood as the law of Oregon on irrigation until the 1917 Irrigation Act was adopted. The present law, known as the Irrigation District Act, covers the same field, with statutory modifications, as originally set forth in the year 1895.

After providing for organization of an irrigation district by elective procedure, ORS 545.064 authorizes the board of directors of an irrigation district "to manage and conduct the business and affairs of a district; to make and execute all necessary contracts and, generally, to perform all acts necessary to fully carry out the purposes of an irrigation district." The law further specifically provides that "any water, the right to use of which is acquired by the district under contract with the United States, shall be distributed and apportioned by the district in accordance with the acts of Congress, the rules and regulations of the Secretary of the Interior, and the provisions of the contract in relation thereto."

ORS 545.076 grants to irrigation district, acting by and through its board of directors, authority to make such assurances to the Secretary of the Interior as may be requisite to permit the district to acquire control of the Government land within the district and to comply with the provisions of the Reclamation Act of 1916.

Oregon first adopted a Water Rights Act in 1909 which provides that all waters within the State from all sources of water supply belongs to the public. Subject to existing rights and excepting as otherwise provided by law, all waters within the State of Oregon may be appropriated under a permit system of priorities which may later ripen into a right. Failure to use beneficially can result in a loss of right. Appropriate applications for such water right permits have been filed with the proper authorities in connection with the Agate Dam project.

Recognizing the importance of water as a vital resource of the State, in 1955 Oregon created a water resources board to integrate and coordinate the uses of water and, in the public interest, to augment existing supplies of water for maximum beneficial use by the State as a whole. Certain waters from certain specified water sources have been withdrawn from appropriation or applied to specific municipal or governmental uses.

Whenever ordered by the board of directors, an election must be held in an irrigation district to determine whether the right to enter into a contract with the United States shall be authorized. Provision is made for the election process and after approval by a majority of the electors voting at such election, the board may execute the contract with the United States.

Whenever an irrigation district has entered into such a contract, Oregon law imposes on the board of directors a duty to levy annually the assessments necessary to comply with the terms and provisions of the contract.

Provision is made for the initiation of special proceedings in the circuit court of the county in which the office of the district is located for the purpose of having a judicial examination and judgment of the court as to the regularity and legality of the authorization for and the validity of, the contract between the district and the United States.

In its 65-year history the Irrigation District Act has been before the Supreme Court of Oregon on a number of occasions and questions concerning it have been reasonably well settled and determined in this State. Likewise, irrigation districts in Oregon have made many contracts with the United States of America, through the Department of the Interior, Bureau of Reclamation, and the validity of which contracts have been determined frequently by Oregon courts. This includes the Rogue River Valley Irrigation District, whose latest contract with the United States was approved by the circuit court of the State of Oregon for the county of Jackson, case No. 57-375-E by decree dated September 26, 1957 entered in volume 136, page 481, judgment docket of Jackson County, Oregon.

The provisions of Oregon law are clear with reference to the steps to be followed to establish an enforceable contract between an irrigation district and the United States of America. When these steps are followed, a declaratory judgment, under the aforementioned special proceedings, can be obtained which, in effect, insures the Government with reference to the validity of its contract with the irrigation district.

When the Agate Dam is authorized and the funds therefore are provided, a contract will be negotiated between the Rogue River Valley Irrigation District and the Bureau of Reclamation which will be submitted for approval to the voters of the district. Subsequently, a declaratory judgment will be secured to guarantee to the Government the validity of its contract. The Government of the United States would thus be fully and adequately assured that all legal requirements have been properly fulfilled under Oregon law.

Senator ANDERSON. All right, Mr. Freeman, can you answer Senator Dworshak's questions at the beginning? He asked what crops are now being produced on the 1,800 acres which are now dry and which are to be irrigated.

STATEMENT OF LEONARD FREEMAN, MEMBER, IRRIGATION DISTRICT OF THE ROGUE RIVER VALLEY

Mr. FREEMAN. The principal crops are grain crops, also oats—
Senator ANDERSON. You do not regard oats as a grain crop?

Mr. FREEMAN. Well, as I started to say, it is used for hay. In combination it is used for hay. Then occasionally it is threshed and the two separated and the two used for seed.

Senator ANDERSON. It is conventional hay, then?

Mr. FREEMAN. Yes. Those are the main crops.

Senator ANDERSON. I guess most of the vetch seed came from your part of the country.

Mr. FREEMAN. Most of the best seed came from Willamette Valley, north of us.

In my statement, I state that I have been using the water in the district for 40 years, and I have farmed in this district all of that time.

In my second paragraph I touched on this patchwork map that we have and mentioned the fact that it had been a private enterprise. Then when the district took it over, people within the district who did not want water were allowed to petition out of the district. It still did not make a complete coverage of the district.

Senator ANDERSON. They were allowed to withdraw?

Mr. FREEMAN. Yes, sir.

Senator ANDERSON. When was that?

Mr. FREEMAN. Well, that was along about 1931. Even then we were still raising principally grain and alfalfa hay, that type of crop. Our seasons are good, but our moisture comes in the winter. We can raise grain without irrigation. We can get possibly two good crops of alfalfa without irrigation, but from then on it is dry. That is when the irrigation is of benefit.

Then the crops began to change and they went into orchards and seed crops, garden crops. Our population growth has made gardening profitable because it is practically all sold locally. It has increased so that we have a market. The only corn that we raise now is ensilage corn and that is used as ensilage, and the men are specializing in that. They put it up in silos and in the winter they sell it to the dairymen and beef cattlemen for feed and are getting very good tonnage.

I believe in the third paragraph I mentioned that in conversation with other members of our irrigation district I have found in no instance anyone who has been opposed to this. I am sure that they will be willing to make the necessary contracts with the Bureau of Reclamation for the project.

Senator ANDERSON. How much land do you own in the area?

Mr. FREEMAN. At the present time?

Senator ANDERSON. Yes.

Mr. FREEMAN. I own 15 acres at the present time. Up until 2 years ago I had about 150 acres.

Senator ANDERSON. Is that all you farm, 15 acres?

Mr. FREEMAN. I am farming 9 acres. The rest is pasture. But previously I have farmed up to 150 acres.

Senator ANDERSON. How much of the 9 acres is pasture?

Mr. FREEMAN. It is all pasture. I keep a few head of purebred cattle. This year I divided my 9 acres. The lower half I am cutting for hay. I just took off about 3 tons of hay to the acre the first cutting. The other half I divided into two pastures and that has carried 13 head of cattle for the summer.

Senator ANDERSON. Ordinarily you would not say that a person who ran 13 head of cattle was expecting to make his living from it, would you?

Mr. FREEMAN. I don't.

Senator ANDERSON. Are there any farmers here who are farming for a living?

Mr. FREEMAN. I have farmed all my life for a living.

Senator ANDERSON. The question was are there any farmers here who are farming for a living in the project?

Mr. FREEMAN. Yes. Mr. Kershaw is farming for a living. And the chairman of our board, Mr. Bonnert, has a very extensive farm, mostly specialized crops.

Senator ANDERSON. How much land does he farm?

Mr. FREEMAN. I would guess a couple hundred acres of irrigated land, not all in our district.

Mr. KERSHAW. It is not quite that much irrigated. I think it is about 120 acres.

Mr. VAN DYKE. He rents some properties also.

Senator ANDERSON. Are you familiar with the farmers through this area? Have you talked to them?

Mr. FREEMAN. Yes.

Senator ANDERSON. They all favor this project?

Mr. FREEMAN. I was born and raised in this valley and pretty well know the farmers in the district.

Senator ANDERSON. Do they worry at all about paying \$16 an acre cash?

Mr. FREEMAN. No, I have heard no opposition to it at all.

Senator ANDERSON. You would have trouble if that were alfalfa, would you not?

Mr. FREEMAN. Not under irrigation. We get four crops. I think the majority of our farmers are doing their own work. They are not all large farmers.

Senator ANDERSON. But you do feel that the sentiment of the farmers in the district is predominantly in favor of this addition?

Mr. FREEMAN. Absolutely.

(Mr. Freeman's statement follows:)

STATEMENT OF LEONARD FREEMAN

I have used water for irrigation from the Rogue River Valley Irrigation District for about 40 years. In this period of time the need for additional water has become more apparent as the years pass by. An almost complete change in crops raised has taken place. Crops such as grains have been replaced by alfalfa, permanent pastures, garden produce, orchards, and seed production. All of these crops require additional water.

Our irrigation system was started as a private enterprise and people within the district could buy water if they so desired. Many did this while others felt at that time it was not needed. This made a patchwork design of the irrigated and nonirrigated acreage. If the Agate Dam is constructed the boundaries of the district will be made no larger, but this unirrigated acreage within present boundaries can be furnished with water, besides furnishing additional water for land now under irrigation.

The farmers within the district are very anxious to have the Agate Dam and Reservoir constructed and as yet I have talked to no one who is not in favor of the project and would be in favor of making all necessary contracts with Bureau of Reclamation for its construction.

Senator ANDERSON. Are there any questions?

Senator DWORSHAK. I will ask the attorney a question, if it is appropriate now.

Reference is made to fish damages necessitating the building of a fish ladder. Are migratory fish involved in this?

Mr. VAN DYKE. The Fish and Wildlife Service has its representative here, and he would be prepared to answer the technical questions in connection with that, but we have put in the facilities, apparently by reason of the fact that there will be some fish damage involved.

Senator ANDERSON. Mr. Kershaw.

Mr. VAN DYKE. Mr. Kershaw is a horticulturist.

STATEMENT OF GORDON KERSHAW, DIRECTOR, ROGUE RIVER
VALLEY IRRIGATION DISTRICT

Mr. KERSHAW. Mr. Chairman, I, like Mr. Freeman, was born and raised in the valley and my father farmed before me.

Senator ANDERSON. How much land do you farm now?

Mr. KERSHAW. Well, I have 25 acres in peaches, 25 acres in nursery crops, and about 30 acres in pasture.

Most all of my farming has been in tree farming, that is, in pears, all types of pears. I have also raised Bartlett trees.

Senator DWORSHAK. Do you own any of the dry land that would be irrigated?

Mr. KERSHAW. No, I don't.

By the way, I don't own any land in the Medford district now, but I used to own quite considerable.

Senator ANDERSON. You do not have any of this dry land now?

Mr. KERSHAW. Well, yes; I will take that back. I have, I would say, about 15 or 20 acres of the dry land. But most of the acres that I have is already under, part of it, with this district.

Senator ANDERSON. You have the green land now?

Mr. KERSHAW. Part of it is green and I would say 10 or 15 acres is to be irrigated.

Senator ANDERSON. What do you pay now on your green land, on the land now irrigated? What do you pay as a water charge now?

Mr. KERSHAW. I think it is \$12.50.

Senator ANDERSON. And you will pay 25 cents more.

Mr. KERSHAW. On the Talent district, where some of the peaches are, I pay \$1.25 on the old, original right. It is the second oldest water right in Oregon, old Beeson Robinson. On the other part I think I pay—I would have to look it up. I am sorry I couldn't give it to you definitely, but it is either \$12 or \$14.

Senator ANDERSON. If you pay \$1.25 on one—

Mr. KERSHAW. There is only 6 acres on that, Senator. Believe me, the water is very unstable there, too. It is an old mill right. But you were asking what the price was. In fact, it was an old mining right and they changed it over to an irrigation right. Of course, with the Talent district, we don't get anything from them. We have a tube that goes under the creek so that we don't get involved with their water. But I have put it under the new Talent district now.

Senator ANDERSON. Do you make any money out of this 6 acres at \$1.25?

Mr. KERSHAW. No.

Senator ANDERSON. How do you make money at \$16?

Mr. KERSHAW. Well, if you are raising pears or raising peaches, you raise a good crop of peaches and you can. If you raise Bartlett pears—

Senator ANDERSON. It takes a few years to get Bartlett pears up to where you can use them.

Mr. KERSHAW. It takes about 10 years. But at that time it begins to pay off.

Senator ANDERSON. So by the time you got to the first crop you would have \$160 in water charges alone.

Mr. KERSHAW. Yes, you would have at least that.

Senator ANDERSON. Plus the care.

Mr. KERSHAW. Of course, generally, if you have a young orchard, you also have some bearing orchard. That partly pays for the upkeep.

Senator DWORSHAK. What is the value of that pear orchard land; that is, when it is bearing?

Mr. KERSHAW. \$1,500 to \$2,000 an acre. This dam that we are proposing, that is proposed here, one feature is important. You are talking about the three districts. Of course, they are all entwined, Medford district and the Rogue River Valley Irrigation District.

I probably should not get involved in this, but you were talking about this a little while ago. I live out there where the private irrigation district started, the Welch Estate. It was an old cattle and land company.

Senator DWORSHAK. Along Hopkins Canal?

Mr. KERSHAW. Yes. They made Hopkins Canal. However, there wasn't too much water in Butte Creek. They had the original water rights in Butte Creek. A little later there was an old mill right there, in one of the little towns. Then this area right in here [indicating] was where the original water was, where this dark green is in the center of the map.

Later on there was more water needed in the Medford Irrigation District and they made some agreements with this land company to help them get started on making their districts. So they exchanged water rights so that the Medford had two-thirds and the Rogue had one-third, that is, the private ditch company and then the private ditch company was taken over by a group of men who formed the district. That is the Rogue River Valley Irrigation District. That is how it started.

The reason why a lot of that is yellow is that some of it was irrigated and some not irrigated, and some people wanted to go into the district and some didn't want to go into the district.

Senator ANDERSON. And some that were in wanted to get out of it.

Mr. KERSHAW. That is right.

Senator DWORSHAK. And for 50 years you have been farming there and have been very prosperous?

Mr. KERSHAW. On our pear farming we have been very good; yes. But on the dry crops, the only dry farming that would be profitable would be wheat or oats or something. But that is what you could raise.

There would be no surplus crops. It would be all pears, mostly. We have special crops. Mr. Bonnert's seed crop is not a crop that you would call a surplus crop. It is Marion Bluegrass and the cross-bent grass. He supplies a tremendous amount of the special grasses that go into these golf courses all over the United States.

Senator ANDERSON. Where was Marion Bluegrass developed?

Mr. KERSHAW. I couldn't tell you. I am no grass man.

Senator ANDERSON. Is it pretty good grass?

Mr. KERSHAW. Yes.

Up to the present time, and for several years, in the 1920's, the late 1930's, 1937, I think, and also in 1926 and 1927, my father had this pear orchard before I did, and he was on the Medford Irrigation Board for many years when it was started. Anyway, we have had to thin some of our crops pretty heavily in the past to get size on them.

In the 1920's, the 1930's, and in this past few years, we have run out of water several times. In this last year we have had to buy some water from the Talent district. When one of their canals is not being used, we are trying to get some water from them to sell to the Medford district so we can use some of the high water from the upper dam on our district so we would have enough.

Senator DWORSHAK. Where will you get the water to fill Agate Reservoir?

Mr. KERSHAW. That is what I was going to show you. Butte Creek, of course, runs quite a bit all year round. It will be put into Hopkins Canal. Above this, which doesn't show, there is a large area of several mountains which is a pretty good watershed. But we can fill this reservoir mostly in a year.

Senator DWORSHAK. How many streams run into the reservoir?

Mr. KERSHAW. Well, Dry Creek and Antelope Creek. Dry Creek doesn't amount to much.

Senator ANDERSON. Why do they call it Dry Creek?

Mr. KERSHAW. It always dries up about May or April. Antelope Creek is quite a large watershed, but by bringing this water around by Butte Creek and putting it in here, we can fill it. One of the main features I should say of this dam is the fact that it is a good transportation dam. It takes 72 hours from the time we put water in the ditch, which is way here in Butte Creek, into the canal, it takes 72 hours from the time it leaves Fish Lake or the upper dam before it can get down here for irrigation on this land.

We will be able to use this as a transportation dam and save a lot of our water, or to use it as a water regulating dam to save a lot of water from the upper dam.

Senator DWORSHAK. Quite a bit of that water would evaporate before it gets to you.

Mr. KERSHAW. We would lose a lot of it, yes, but this way we will be able to save a lot in the upper lakes, which will help us.

Senator ANDERSON. Thank you very much for your statement. Your statement will be placed in the record.

(Mr. Kershaw's statement follows:)

STATEMENT OF GORDON KERSHAW, DIRECTOR, ROGUE RIVER VALLEY IRRIGATION DISTRICT, NURSEYMAN AND FARMER

For the past 50 years and long prior to the establishment of the district, my family has owned land in the Rogue River Valley Irrigation District. We have watched its development from a very small district to its present size.

We have been concerned the past few years, because there has been an acute water shortage on the so-called east side of the district where the Agate Dam is to be built. For administrative purposes, we consider lands lying east of Bear Creek as being on the east side of the district.

The district is fortunate in having an excellent manager, or our difficulties would have multiplied. Through new gate checks, canal repairs, weed elimination, two-way radio, and, generally excellent administration, we have been able partially to solve the problem but our situation becomes increasingly critical.

Our economy in the district is dependent to some degree on the raising of specialty crops, such as grass seeds, seed corn, melons, onions, nursery stock and other specialties. Pears have always been a basic part of the economy of the valley and this fruit plus the aforementioned specialty crops requires ample water at critical times.

Grave concern has been felt about the ability of the district to deliver water to these areas. This is particularly true during the current season when our district has been required to try to secure additional water from the Emigrant Reservoir of the Talent Irrigation District. In future years, with the upper lakes depleted and Emigrant Lake likewise depleted, there is a real probability that no water will be available and serious crop losses will occur.

I consider the Agate Dam Reservoir and additional facilities as absolutely essential to the continued economic existence of the Rogue River Valley Irrigation District. Agate Reservoir will also provide a valuable regulatory feature which will materially help the district to save its water. With Agate Dam, its additional waters, and its regulatory features, the Rogue River Valley Irrigation District will continue strong and will become stronger. Without it, the Rogue River Valley Irrigation District faces an uncertain future and the possibility of ultimate collapse.

Mr. VAN DYKE. We consider ourselves fortunate in having as manager of our district for the past 7 years a young man who was formerly with the Corps of Engineers, and served in the military service in the Engineers. He also has worked for the Bureau of Reclamation. More recently he has been our secretary-manager. He works every day in meeting with the water users and operating our district and is thoroughly familiar with this entire project.

STATEMENT OF HAROLD SEXTON, MANAGER, ROGUE RIVER VALLEY IRRIGATION DISTRICT

Mr. SEXTON. Mr. Chairman, much of what I plan to cover has been touched on before. I would like to leave myself wide open for any questions that you would like to ask.

From an operating viewpoint, it is my point to operate for the farmers, you might say. That is what they hire me for.

One of the most attractive features, one of the most necessary features of this project, is the reregulation ability of it. Right now, as Mr. Kershaw pointed out, we are 3 days away from our water supply. We are in an area where weather prediction is the most difficult in the United States, one of the most difficult we have.

It is almost impossible for us to efficiently handle this water and anticipate what even the weather man does not know is going to come. As a result, each season we are faced with the problem of sudden hot spells and we get 3-day lags before we can pick this thing up.

Senator ANDERSON. How often does the owner of a pear orchard irrigate?

Mr. SEXTON. The irrigation practices of pear orchards are changing materially. There has been quite an advance in the science, I would say, in the last 4 or 5 years. In fact, in the last 3 years there has been a tremendous increase by upgrading the farm practice in order to try to get a yield out of it so they can make a profit and stay in business. The direct answer to your question is that it used to be about three times a year, partially depending upon the season.

The shallow soils have to irrigate four and five times a year and it is extremely critical for those people to get the water when they need it. They have a spray schedule, a picking schedule, and cultivation and what have you, and the water has to be timed in between these.

If you get some difficult weather, your spray schedule may be delayed and then your timing is thrown out and then we get a hot spell and we need almost overnight service for this ground.

Senator ANDERSON. You cannot irrigate while you are spraying?

Mr. SEXTON. No, sir. The spray practice now is with what they call speed sprayers. It is a heavy piece of equipment. In our soil type it is not possible to tow this through the orchard unless the ground has been on a general rule dry for at least a week after irrigation. They have tried helicopters and aircraft. In the deepest emergency they will use aircraft. It is expensive and not as good as the ground transferred spray to the trees. The practice now is to irrigate a little bit more often than they used to. They are moving in to more irrigations a year but less water each irrigation. The total consumption of water is staying about the same, or possibly slightly reduced.

This is very minute as a reduction, if any. The regulating features of this reservoir, of course, are outstanding. I like to fish and hunt so I will put a plug in here. I personally think that this is one of these projects that benefits everyone and I also say the district is of this opinion, and solid behind it. It benefits everyone and has no detrimental effect. It will improve fishing, recreation, boating, anything connected with water. This can be borne out very well at the local level.

Senator ANDERSON. The only thing that will be changed is this one piece of ground. That will hold 4,500 acre-feet of water?

Mr. SEXTON. Yes, sir.

Senator ANDERSON. How much boating would there be on that?

Mr. SEXTON. In the spring of the year there will be considerable boating.

Senator ANDERSON. If there is boating will the fishing be good?

Mr. SEXTON. Yes, sir.

Senator ANDERSON. What kind of fish would you have there?

Mr. SEXTON. The Fish and Wildlife Service have a representative here and I am sure he is going to say spiny ray. Some of us believe at the local level, not being technically qualified to speak, that possibly it will develop pretty good trout fishing. That is a personal opinion involved.

In the spring of the year, this is a beautiful area, and with water there, there will be people.

Incidentally, the reservoir itself floods the part that is going to be inundated, is extremely low value ground. In other words, it is pretty rocky and very little of it is tillable, and what is tillable is not economically tillable any more.

Senator ANDERSON. Is the district going to acquire that land?

Mr. SEXTON. Yes, sir.

Senator ANDERSON. How much will it pay for it?

Mr. SEXTON. That is difficult to answer. You are asking me to predict the future.

Senator ANDERSON. No, I am not at all. An irrigation project involves the acquisition of land, where you are going to build a dam. How much is the land going to cost?

Mr. SEXTON. In my estimate, the reservoir floor ground is going to vary between \$125 and \$200 an acre to acquire.

Senator ANDERSON. And it is not any good now?

Mr. SEXTON. For cultivated farming, no.

Senator ANDERSON. Is it for scenery, then? What are you paying for, in other words, at \$200 an acre?

Mr. SEXTON. Well, there is a little bit of ground in the bottom that is tillable, and as I say, and they may have an inflated opinion of what the ground is worth, shall we say, in some places in the world.

Senator DWORSHAK. How many acres would be flooded?

Mr. SEXTON. About 225 would actually be flooded. There would be some ground occupied by the dam. We anticipate no real trouble in getting the rights-of-way.

Senator ANDERSON. Can somebody from the Bureau tell me what this acquisition cost is of land?

Mr. BURNETT. We have a total estimated cost of \$24,000 but I am still checking on the number of acres involved. I will have it in a minute.

Senator ANDERSON. I think if this land is rocky and not usable for agriculture and only becomes worth \$1,000 when you get a pear crop growing on it, that \$200 is a pretty high current price for it.

Mr. SEXTON. Where the dam is located on the map, you will see a little patch of green ground to the southwest of the upper portion of the reservoir, and you will notice that there is no yellow ground around it. As a result—

Senator ANDERSON. Does that mean that the section around the dam is all irrigated?

Mr. SEXTON. No, sir.

Senator ANDERSON. What does it mean, then? You say there is no yellow land around it. What do you mean by the statement?

Mr. SEXTON. The green represents basically what is currently irrigated, patchwork irrigation. The yellow is—

Senator ANDERSON. Do not get off on it. There is a piece of ground that you have marked for the Agate Dam Reservoir site. That is stony ground?

Mr. SEXTON. Basically, yes, sir.

Senator ANDERSON. And what is the price going to be on that? That is what we are going to try to find out.

Mr. BURNETT. We estimate about \$30 an acre.

Senator ANDERSON. That is quite a bit different from \$200 an acre.

Senator HICKEY. Is what you are saying that the threat of condemnation has increased the value of this land from \$30 to \$200?

Mr. SEXTON. There is that possibility. Here is what is going on: We are having a great influx of people into the Medford area. As you all know, this is a rapidly growing area. Where it won't grow crops it will grow homes or speculation. This has nothing to do basically with Agate Dam, the speculation on the ground. There is no speculation as a result of the reservoir.

Senator ANDERSON. I am in a little difficulty as we go along. You said just now it was about 225 acres to be inundated; is that right?

Mr. SEXTON. Yes, sir.

Senator ANDERSON. The report says the construction of the Agate Dam would result in the inundation of 737 acres of private lands of which 102 are crop. From 225 to 737 is a pretty wide difference.

Mr. SEXTON. If the report says there will be that many inundated, there has been an error.

Senator ANDERSON. Who got the report out?

Mr. Palmer, can you give me any help on this?

Mr. PALMER. As near as I know, Mr. Chairman, the acquisition program of the Bureau as it was worked out with the people in the area at the time the plan was developed indicated the results that are shown on page 29 of the report. The construction of the reservoir would necessitate acquisition of 737 acres of private land of which only 102 acres are tillable; also included is one mining claim and a small building.

Senator ANDERSON. That is page 33, is it not? Or am I reading from a different book?

Mr. PALMER. I have it on page 29 of the document I have. This is House Document 39 of the 87th Congress.

Senator ANDERSON. I have House Document 39, 87th Congress. What section of the page are you referring to on page 29?

Mr. PALMER. Next to the last full paragraph.

Senator ANDERSON. I see that.

Now if you will look at page 33, negative benefits. The construction of Agate Dam, with the same statement, except for the word "the" in front of it.

Mr. PALMER. May I explain?

Senator ANDERSON. He thinks it is 225 acres.

Mr. PALMER. In the acquisition of a reservoir site, we buy horizontally 300 feet from the top of the pool and then square out the acquisition. So you would buy more lands in any event than you would inundate.

Senator ANDERSON. It says, would result in the inundation of 737 acres.

Mr. PALMER. I believe the meaning more accurately would be the acquisition of 737. So I presume the negative benefits were evaluated on the basis of the net losses to the economy of the taking that would be required to accommodate the dam and reservoir.

Senator ANDERSON. They say this land, 737 acres, ought to cost \$24,000.

Mr. PALMER. On the basis of our estimates it would be \$24,000.

Senator ANDERSON. If we put a limitation in the bill as to how much you could spend for acquisition of land, would that be helpful to you?

Mr. PALMER. No, sir; I don't think it would be.

Senator ANDERSON. Then it might stop a pirate from operating.

Mr. PALMER. What we are up against, and maybe we ought to go off the record on this—

Senator ANDERSON. This is a very good thing to have in the record. But we will take it off.

(Discussion off the record.)

Senator ANDERSON. Back on the record.

This whole project involves only \$1.8 million, of which the people who are going to benefit most are only able to pay \$993,000. If your figure for acquisition is \$24,000 and has to be hiked to \$140,000, then you change the whole validity of the project.

Mr. PALMER. That is correct as far as the estimated costs now before you are concerned.

Senator ANDERSON. We ought to have some way of protecting ourselves against an unfavorable decision by the courts. I can't imagine that happening, but things do happen.

Let me ask this question: If you got into court and tried to condemn property and the court gave them a fancy price of this nature, can you then back away from the project or do you have to take the land?

Mr. PALMER. Once you have made a deposit, the only choice you have left if you get an award in excess of the appraisal, is the right to appeal if you feel that an appeal can be sustained. Once a condemnation action is filed and a deposit made with the court, theoretically the Department of the Interior and the Bureau of Reclamation lose the initiative and at that time it becomes a matter of the Department of Justice. They then can either settle the case at the awarded price or they can decide to appeal, which they have done in some cases.

Senator ANDERSON. Who owns this 225 acres of ground? Is it many people or one person?

Mr. SEXTON. I can give you the names and approximate acreages if you wish.

Senator ANDERSON. Who owns the 225 acres to be inundated?

Mr. SEXTON. The part actually covered with water?

Senator ANDERSON. Are there many owners or one?

Mr. SEXTON. There are four.

Senator ANDERSON. How difficult, Mr. Palmer, is it to contact these four owners and see what their ideas are before we fool with the project?

Mr. SEXTON. I can speak to that, sir, if I may.

Senator ANDERSON. Go ahead.

Mr. SEXTON. They were contacted before the project—when the project was in infancy in 1955, those owners, and they are the same, to the best of my knowledge, yet, for every inch of that ground, the same original owners, and they were very interested in seeing this proceed. They are not in any way—

Senator ANDERSON. Very interested?

Mr. SEXTON. They are all farmers.

Senator ANDERSON. If they could get 2 or 3 times or 10 times what the land is worth, they would all be interested.

Mr. SEXTON. They won't get two or three times what that land is worth. I am personally confident of that.

Senator ANDERSON. Then we ought to be in the position of finding out what they would be willing to take. Are they farmers within the district?

Mr. SEXTON. Some of them are and some are not.

Senator ANDERSON. There are only four. You cannot generalize too much. Are two of them farmers and two of them not?

Mr. SEXTON. They are all farmers, farm-type ownerships, own all the land. They are not necessarily farmers within our irrigation district. In other words, one or two of the owners are not farming within the boundaries of our district as we are considering it.

Senator ANDERSON. You are the attorney for them. Cannot you find out if it is possible to acquire this land in private negotiation? I would hate to fool with a project and then have it blow up because they wanted too much money for the land.

Mr. VAN DYKE. I agree with Senator Hickey. I do not feel that there will be any serious problem in connection with land acquisition in this particular area. The fact of the matter is that I know of no land that has changed hands in that area for quite a while, Senator.

Senator ANDERSON. Whether you know of any possibilities or not? Would it not be possible to find out?

Mr. VAN DYKE. Well, until the project is authorized, it is most premature to step in and try to get someone's land. But we have talked to them, Senator.

Senator ANDERSON. I see.

Mr. VAN DYKE. I can say this for the record: that Mr. Sexton and the other gentlemen here have had conversations, and I have had conversations. One of these owners happens to be a client of mine. He and his wife are both clients. They are reasonable, fairminded people. I don't think they are different from any other Americans. They are not out to grab anything more, nor should they necessarily have to tremble at the feet of the United States of America.

Senator ANDERSON. And bear in mind that the Senate does not have to tremble at their feet, either.

Mr. VAN DYKE. That is right. It is a fair situation as I see it, sir.

Senator ANDERSON. All I have asked you is this: We are going to consider this legislation. We would like to report it to the full committee. The full committee, I think, would probably look favorably at this and would like to report it to the Senate floor. There is a long time before it is going to get to action. If we are going to have trouble, we ought to know it early. If we are not going to have trouble, you should be able to find it out in advance.

Mr. VAN DYKE. I can tell you right now that we will not have any trouble in connection with land acquisition there.

Senator ANDERSON. A burnt child fears a fire. There are some of us who have seen trouble develop. We have a figure here. Can you not find out something about it definitely so that we would know, and if we made some arrangements in advance with two or three of the four people then you would have some basis for going into court on the balance?

Mr. VAN DYKE. If the Senator would like us to try to get letters from the parties involved, we would undertake to do that. I don't know just what the thing would be. I don't think that would be particularly helpful, Senator.

Senator ANDERSON. I only want to say to you, Mr. Van Dyke, that I would like to help the Oregon Senators see this bill reported favorably to the Senate of the United States and see it passed. What I have just suggested to you would help us. This is a relatively small project. It is an odd project, mixed in with other lands and everything under the sun; still, it is a good project, and the amount of money that is involved per acre is not too high. The benefit ratio is very good. It is far better than many of them. This could be moved along. We would hate to have some little thing come up that would cause trouble. The Bureau of Reclamation, in my opinion, ought to cut down the amount of land that it requires, if it is up there too far now.

I do not think you need 700 acres to inundate 225. I do not believe you do, either, Mr. Palmer.

Mr. PALMER. Senator Anderson, in checking this again, it appears that there may be an error in that figure.

Senator ANDERSON. I think it is probably 237 acres. If so, that is probably all right; but let's see what it is.

In the meantime, you find out how the people feel.

Mr. VAN DYKE. I shall be happy to do that, Senator.

Senator ANDERSON. I am sure these are fine people and we don't have to worry about them.

Mr. VAN DYKE. The only think is I don't want to be lawyerlike, Senator, and I don't want to argue with you, but I feel that if the thing is unprecedented, I hate to see the people of Oregon singled out for this sort of treatment if other people in other areas are not required to do the same thing.

Senator ANDERSON. Well, if you are going to get to precedents, let me remind you that we finished having the House take action on a bill in which they have written a limitation on what they can grow on the land for 10 years. I am interested in that. If you want to hold to it, we can see that no crop which has been in any way surplus for any time shall grow on this land for 10 years.

That will take a little enthusiasm off of it. And there are other things. But we don't want to do that.

Mr. VAN DYKE. I appreciate that, Senator. But I will say this without qualification, that we will undertake to cooperate with you, sir. I want to assure you of that.

Senator ANDERSON. We are not questioning it, we don't insist that it be done as a condition precedent to our taking action, but we would like to know.

Mr. VAN DYKE. Yes, sir.

Senator DWORSHAK. What is the going price of the 1,800 acres of dry land that would be irrigated, Mr. Van Dyke?

Mr. VAN DYKE. Well, let the experts answer.

What would be your estimate, Gordon?

Senator DWORSHAK. Not on the basis of this project, but what is the land selling for?

Mr. KERSHAW. On that Bear Creek land, if they put in peaches, they paid \$1,000 an acre for that.

Senator DWORSHAK. You cannot raise peaches on dry land, can you?

Mr. KERSHAW. But they put water on it, pumped it out of the creek. I would say on an average that land would be three or four hundred dollars an acre.

Senator ANDERSON. For the dry land?

Mr. KERSHAW. Yes, sir. There is not too much good land in the valley.

Senator DWORSHAK. We have difficulty in getting answers. We get three or four different kinds of answers to every question that we ask. Were you people not acquainted before you came into this hearing? Have you not seen each other? Are you talking about the same thing? Has any of this land been sold in the last 5 years?

Why I ask you that question is this, gentlemen: Mr. Sexton said that that land fit for cultivation probably would cost \$200. Now you have the dry land which has been farmed, and upon which the farmers have been making a living for a long time. What has been the going price for that land?

Mr. VAN DYKE. The misunderstanding, sir, is that there is a marked difference. This yellow land through here [indicating] as shown by the report, most of it is class I and class II.

Senator DWORSHAK. What is it worth? What has it been selling for?

Mr. VAN DYKE. Three or four hundred dollars an acre.

Senator DWORSHAK. Do you know of any sales at three or four hundred dollars an acre?

Mr. KERSHAW. Yes, sir; on the yellow. When I said this about the peach lands it was more down in the—

Senator ANDERSON. But they had water.

Mr. VAN DYKE. That is different. That is not in this area.

Senator DWORSHAK. Do they raise peaches on the 1,800 acres of dry land?

Mr. KERSHAW. They can.

Senator DWORSHAK. I did not ask you if they could; I asked you if they had been raising them.

Mr. KERSHAW. They have, yes. In the area up above—

Senator DWORSHAK. The reason why you are all batting around in different areas is because you do not agree on anything that you say here.

Mr. KERSHAW. May I take the pencil and show you a minute?

Senator DWORSHAK. No, because you would not put the pencil in the same place as somebody else might do, so I am not interested.

Mr. SEXTON. Mr. Chairman, maybe I can help out here.

Senator DWORSHAK. If you had one witness instead of a dozen, maybe we could get something straight.

Senator ANDERSON. Go ahead.

Mr. SEXTON. Basically what we are attempting to do, and we are being overconscious—might I talk off the record?

Senator ANDERSON. That is the trouble.

Mr. SEXTON. All right, I will stay on the record.

I am not an eloquent speaker. We are trying to show to you every facet there is. Our area, as you can see, is broken up and covers a lot of area. There are many changing conditions. At one place you will have a piece of low-value ground joining high-value ground. Let's go back to the reservoir. There was a good piece of dryland wheat farmland when dryland wheat farming was a successful operation in this area. Alongside of it you have a piece of ground that was good spring range ground which with today's condition is not too good. On the other hand, we can also see—and I will stick to the reservoir area—that in the future this ground could be used for subdivisions and homes. By subdivisions, I mean—

Senator ANDERSON. How far is it from the nearest town?

Mr. SEXTON. We have two principal concentrations of cities.

Senator ANDERSON. How far is it from Medford?

Mr. SEXTON. Medford is right here and the damsite—

Senator ANDERSON. How far is it in miles?

Mr. SEXTON. Seven miles.

Mr. VAN DYKE. Fifteen road miles.

Senator ANDERSON. Fifteen, did you say?

Mr. SEXTON. I am talking about airline miles.

Senator ANDERSON. All the people who have airplanes would be interested in airline mileage, but the average person does not own one.

Mr. SEXTON. It is 13 to 15 miles, depending on route traveled.

Senator ANDERSON. What is the size of Medford now?

Mr. SEXTON. The population of Medford is about 27,000 within the corporate limits.

Senator ANDERSON. So it would be a good many years before it would grow out 7 miles?

Mr. SEXTON. Possibly, yes. We have an area here that is industrial [indicating] and over here is one of the oldest farm areas in the whole Rogue River Basin, this is Central Point, a city before Medford.

Senator ANDERSON. You said there was some wheatlands that was dry farming. How much crop do they get per acre off of that?

Mr. SEXTON. The production in wheat has gone down in this dry land partially because of the loss of some original fertility. Our wheat production would vary between maybe 18 to 35 to 40 bushels on a season-to-season basis. This will vary from one farm to the other. The farmer sometimes makes an awful difference. The value of our ground for dry farming is in about the range of \$300, as what the asking price, this might say, would be for average farm ground. This would be the asking price. Have I helped you out a little bit?

Senator ANDERSON. Yes, I think so.

Mr. SEXTON. Did I answer some of your questions, sir?

Senator DWORSHAK. Yes.

Mr. SEXTON. I would like to, because I have been associated with this Agate project for 6 years and the Rogue River Valley Irrigation District is a very old economy in the area, it is a very stable organization, and it has been very successfully operated. We are trying to stay in business. That is why we are here. We are trying to stay in business and continue to make a good farm economy out of it. This Agate project is one of the things that will keep us as a good, solid farm economy.

Senator DWORSHAK. How many acres are in your whole district?

Mr. SEXTON. The whole district right now is approximately 5,000 irrigated acres.

Senator DWORSHAK. The Rogue River district of which you are manager?

Mr. SEXTON. Yes, sir; 5,000 irrigated. Here are two things, the overall area that we cover by exterior limits being 31,000 acres [indicating]. The green area represents approximately 5,000 irrigated acres.

Senator DWORSHAK. That is all, that you manage?

Mr. SEXTON. That is all that we irrigate, yes, sir.

Senator ANDERSON. Thank you very much.

Mr. VAN DYKE. We will not impose on you any more, Mr. Chairman. I can say definitely that as far as the law is concerned, we have had an irrigation district law since 1885. We have had water rights laws since 1905. Oregon has had numerous reclamation projects. We have a process for the courts to verify all contracts and pass on the procedures.

Senator DWORSHAK. As a lawyer you can assure us that there is existing law which authorizes the allocation of surplus power revenues derived from a powerplant on a separate river for helping pay the cost of this?

Mr. VAN DYKE. Yes, sir.

Senator DWORSHAK. You know that to be so?

Mr. VAN DYKE. Yes, sir.

Senator ANDERSON. The language of the Talent Act reads:

Notwithstanding any other provision of law to the contrary, all net revenues derived from the sale of commercial power from the Talent division shall be applied first to the amortization of that portion of the cost for construction of the division which is allocated to commercial power with interest on the unamortized balance thereof at the average rates, which rate shall be certified by the Secretary of the Treasury paid by the United States on its marketable long-term securities outstanding on the date of this act and thereafter to the amortization of that portion of the cost of constructing the division which is allocated to irrigation but which is beyond the ability of the contracting irrigation organization to repay as provided above.

Mr. Palmer, is it your testimony that after these two things will be fulfilled by the year 2021 and that will completely discharge the obligation carried in here?

Mr. PALMER. Yes, sir.

Senator ANDERSON. And you think it possible, you think it is proper, to pick up the remainder and apply that for 2 years to the payment of this \$700,000 carried by this act?

Mr. PALMER. That is correct.

Senator ANDERSON. Do the people under the Talent district have any rights in this?

Mr. PALMER. The rights to the revenue go to the Government after payout.

Senator ANDERSON. That is my understanding of it. You remember that Senator Malone used to argue that these districts would take it over after that.

It is your understanding for the purpose of this act that that is what would happen to it otherwise?

Mr. VAN DYKE. Yes, sir.

Senator DWORSHAK. And your district is part of the Talent division?

Mr. VAN DYKE. We are part of that overall area.

Senator DWORSHAK. I mean legally are you part of the Talent division?

Mr. VAN DYKE. Yes.

Mr. SEXTON. I will answer that. Yes.

Mr. VAN DYKE. Under the Bureau of Reclamation we are treated as part.

Senator ANDERSON. The law says the Secretary is authorized to construct, operate, and maintain the Talent division of the Rogue River Basin project.

Mr. VAN DYKE. That is where we are, yes, sir. Rogue River, sir, is right here.

Senator ANDERSON. You are one of the three divisions of it?

Mr. VAN DYKE. We are the ones closest to the Rogue River.

Senator ANDERSON. A while ago somebody gave me the fact that there were 15,000 acres in the Talent division, 10,000 acres in the Medford division, and 5,000 acres in the Rogue River division.

Mr. VAN DYKE. It is all the Talent division, sir. Those are irrigation districts. I understood you were asking me about the acreage of the irrigation districts.

Senator ANDERSON. Thank you. These are districts of it. Therefore, you think this law permits you to do it?

Mr. VAN DYKE. Yes, sir. Very flatly, no question about it. It is very clear. It is agreed by all attorneys involved, all the districts and the Bureau of Reclamation.

(Mr. Sexton's prepared statement is as follows:)

STATEMENT OF HAROLD SEXTON, SECRETARY-MANAGER, ROGUE RIVER VALLEY IRRIGATION DISTRICT

For the past 7 years, I have been secretary and manager of the Rogue River Valley Irrigation District. During this period, even when the water supply has been adequate, it has not been possible to properly meet the water needs of the farms in the district. This stems primarily from the 3 days time required to get the water from our main supply to the water users. During these increasingly frequent periods of deficient water supply, which periods have been prevalent over the past several years, it has been impossible to deliver water on a schedule that allows the highest farm yield.

The Agate Dam and Reservoir is located within the irrigated area of Rogue River Valley Irrigation District. It will reduce the system's delivery time from the before-mentioned 3 days to approximately 1 day. This reduction in delivery time is one of the key advantages of the project, the district being located where sudden unpredictable hot spells commonly occur each season with a resulting almost overnight heavy demand for major increases in water delivery.

The Agate project is the type project where all interests connected with water benefit. Some of these benefits are:

1. The water which is required to fill the reservoir each winter will be salvaged from wintertime streamflow which is surplus to all other needs.

2. The fishing, hunting, and recreational potential of the reservoir is very promising.

3. The stream in which Agate Dam is located is correctly named as Dry Creek. With the dam a portion of this stream would have water in it all summer long.

4. Besides the valuable operational features of the project, the additional irrigated land, 1,810 acres, will afford landowners the opportunity to get irrigation water for their presently dry land. (Some landowners have been waiting over 20 years for more water.)

5. It is anticipated extension of the district's system will not be required, therefore making fuller and more efficient use of the district's existing facilities.

6. It is my belief, based on historical records, that the Agate project will offer a major reduction of water shortages.

7. From the management viewpoint, the Agate project would integrate into the present system with ease. It will contribute directly to increased farm income because of improved watery delivery.

The Agate project is the only means by which the Rogue River Valley Irrigation District can secure additional supply of water and system regulations so urgently needed.

During the past several years I have had the opportunity in behalf of the district to speak before many organizations and over television and radio. The almost unanimous reaction from farmers, sport and recreational groups, businessmen, as well as what might be termed the general public has been "this is the type of project our own area and the Nation needs, what are we waiting for, let's get the project started."

RESOLUTION No. 3

Whereas the Agate Dam and Reservoir project of the U.S. Bureau of Reclamation will provide storage of an additional 4,500 acre-feet of water as an integral part of the Rogue River Basin reclamation program in Oregon; and

Whereas by reason of its location within the boundaries and irrigated area of the Rogue River Valley Irrigation District, said dam and storage facility will provide valuable equalization and peak flow control; and

Whereas said Agate Dam and Reservoir will enhance the operation of the district's system; and

Whereas said source of water will permit the addition of 1,800 new irrigable acres; and

Whereas the cost-benefit ratio of said project has been found by the U.S. Bureau of Reclamation to be a most favorable one; and

Whereas the Oregon State Water Resources Board has endorsed this project and recommends its immediate construction: No, therefore, be it

Resolved by the Oregon Reclamation Congress, That the Agate Dam and Reservoir project of the U.S. Bureau of Reclamation in the Rogue River Basin reclamation program in Oregon, is hereby endorsed; and be it further

Resolved, That the Bureau of Reclamation, Department of the Interior, the Congress of the United States of America, and the appropriate Federal administrative agencies be, and each of them are, hereby urged and requested to undertake such steps as may be necessary and appropriate to accomplish completion of said project.

The foregoing resolution was unanimously passed by the Oregon Reclamation Congress on October 20, 1959.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
House of Representatives, New House Office Building,
Washington, D.C.

DEAR SIR: As a water user of many years, I feel that the Agate Dam is an important and necessary addition to the Rogue River Irrigation District. This is necessary to utilize the present supply of water to its greatest use and to supply additional water needed in our changing economy.

Yours truly,

CHARLES S. TAYLOR,

Water user and Director on the Rogue Basin Flood Control and Water Resources Association.

Senator DWORSHAK. Mr. Chairman, I do not want to delay it, but can we have the Fish and Wildlife man make a statement for the record?

Senator HICKEY. Do I understand that you are going to supply the hearings with a suggested negotiated price on the acquisition of this land?

Mr. VAN DYKE. Yes, sir.

Senator HICKEY. That will be supplied to the committee?

Mr. VAN DYKE. Yes, sir.

(The following communications were subsequently submitted:)

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., July 18, 1961.

HON. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.

DEAR SENATOR ANDERSON: In the course of the hearings before your Committee on Interior and Insular Affairs on S. 1023, a discussion took place regarding acquisition of land for construction of Agate Dam and Reservoir.

At maximum water surface elevation, Agate Reservoir will inundate approximately 215 acres of land. It would be necessary for the Government to acquire about 737 acres which includes land for the dam, reservoir, construction activities, borrow areas, and lands above the maximum water surface elevation as required to square off tract acquisitions and avoid severance problems. In this connection, there is an error in our planning report on the Agate Dam and Reservoir, which was printed as House Document No. 39, 87th Congress. The first sentence at the top of page 33 of the House document, states that "The construction of Agate Dam would result in the inundation of 737 acres of private lands, of which 102 acres are cropped." It should read "The construction of Agate Dam would require the acquisition of 737 acres of private lands, of which 102 acres are cropped." [Italic added.] In this respect, please note the second to last paragraph on page 29 of the document.

Sincerely yours,

FLOYD E. DOMINY, Commissioner.

VAN DYKE, DELLENBACK & MCGOODWIN,
Medford, Oreg., July 13, 1961.

Re Agate Dam project, Talent division, Rogue River Basin, Bureau of Reclamation, Oregon.

Senator CLINTON P. ANDERSON,
Chairman, Senate Committee on Interior and Insular Affairs,
New Senate Office Building, Washington, D.C.

DEAR SENATOR ANDERSON: In conformity with your request that we undertake to secure information supporting the estimated valuations of land to be acquired by the Government in connection with the above project, I enclose a memorandum showing the ownership, the location, the assessors' acreages, the assessed valuation, and the true cash value of lands involved in the above project, as shown by a map of the project furnished us by the Bureau of Reclamation, and as applied to the assessor's valuation of land in the area.

By way of explanation, I should point out that the assessor values properties on the basis of various tract designations on his official maps and records. The size of the assessor's tracts do not always correspond to the size of the tracts it is proposed would be taken by the Government in connection with the Agate Dam project. The enclosed memorandum, to the best of my knowledge, includes all and involved in the Government's taking, and of necessity, includes a couple of hundred acres of additional land simply because the assessor's tract sizes, in some instances, were larger than the tracts being taken by the Government.

Enclosed is a statement from the Jackson County assessor certifying the current ratio of assessed valuation to true cash value in this county. Also enclosed is a statement from Mr. Andrew Stevens, one of the three-man appraisal board, which has heretofore served on the Talent project, giving his estimate of the valuation of the lands involved in the taking. It is noted that he has talked to some of the landowners and indicates their idea of current values.

True cash value is defined by ORS 308.205 "as the amount the property would sell for at a voluntary sale made in the ordinary course of business under normal conditions; i.e., market value." With respect to property which has no immediate value, our law provides true cash value shall be the amount of money that would justly compensate the owner for loss of the property.

The writer wishes to take this opportunity to express to you his sincere appreciation and that of his colleagues for the courtesy and consideration extended to us at the Senate hearing. Should any Members of the Senate visit this area on any future occasion, we should be most happy to show them this project as well as the main works of the Talent project and any other matters which might be of interest to them in this vicinity. Should you desire any further information, we should be most happy to undertake to furnish it.

Most cordially and sincerely,

FRANK J. VAN DYKE.

Ownership	Location	Acreage	Assessed value	True cash value
Lloyd Walch.....	T. 36 S., R. 1 W., Willamette meridian, sec. 25..	105.5	\$400	\$1,600
Harold Walch.....	do.....	52.2	200	800
Henry Owens.....	do.....	159.4	670	2,680
Lawrence Osterhout.....	do.....	158.2	1,120	4,480
Evelyn Von der Helen Irwin.....	do.....	159.4	600	2,400
Lloyd Walch, building on U.S. land.....	T. 36 S., R. 1 W., Willamette meridian, sec. 24..	1.8	280	1,120
Lloyd and Maude Walch.....	do.....	48.4	200	800
Harold K. Walch.....	do.....	25.3	100	400
Henry A. and M. Yolanda Owens.....	do.....	61.54	230	920
Jessie J. Owens.....	do.....	55.12	1,610	6,440
Vern R. and Varta Harper.....	T. 36 S., R. 1 W., Willamette meridian, secs. 19 and 30.	155.24	940	3,760
Total.....		979.94	6,350	25,400

MEDFORD, OREG., July 11, 1961.

FRANK J. VAN DYKE,
Attorney at Law, Medford, Oreg.

DEAR MR. VAN DYKE: I, Thad W. Hatten, county assessor for Jackson County, Oreg., hereby certify that the assessed value ratio as established for the 1961-62 tax year by the State tax commission and the Jackson County court is 25 percent of the true cash value of real property, in Jackson County, Oreg.

THAD W. HATTEN,
Jackson County Assessor.

MEDFORD, OREG., July 11, 1961.

FRANK VAN DYKE,
Attorney, Rogue River Valley Irrigation District, Medford, Oreg.

DEAR SIR: On July 10, 1961, I was asked by the Rogue River Valley Irrigation District to make a preliminary estimate of the cost of acquiring the land for the proposed Agate Reservoir located in Jackson County, Oreg., secs. 24, 25, and 36, T. 36 S., R. 1 W., Willamette meridian.

Having been employed by the Bureau of Reclamation as a land appraiser for the Talent project, I consider myself qualified to make this appraisal. However due to the desires of the irrigation district and the time limitations in working up this estimate the figure of cost will definitely be my opinion based on my personal knowledge of the area and very limited amount of sales within the immediate area that are comparable.

One sale consisting of over 300 acres adjoining along the north side of the proposed area was sold in 1960 for \$75 per acre and is comparable in all respects to all the proposed reservoir area except 110 acres of tillable land along the creek channel, that portion having a fair market value of from \$200 to \$400 per acre.

I have secured data from the Jackson County assessors records in regards to land valuations as well as from property owners in the area.

Assembling all factual data I arrived at a figure of approximately \$75,000 necessary for the purchase of the 737.4 acres of land in the proposed Agate Reservoir if purchased at a fair market value.

Yours truly,

A. E. STEVENS.

Senator ANDERSON. Would you file with the committee, Mr. Schrader, a statement showing the basis for the allocation to fish and wildlife?

STATEMENT OF THOMAS A. SCHRADER, ASSISTANT CHIEF OF
BRANCH OF RIVER STUDIES OF SPORTS FISHERIES AND WILD-
LIFE, DEPARTMENT OF THE INTERIOR

Mr. SCHRADER. We would be happy to.

Senator ANDERSON. You think it would be of some value?

Mr. SCHRADER. He wanted to know whether migratory fish were involved and that is correct.

There are chinook salmon.

Senator DWORSHAK. Coming up the Rogue?

Mr. SCHRADER. Yes, sir.

Senator DWORSHAK. They spawn in that area now?

Mr. SCHRADER. Yes, sir; they spawn in that area. They don't spawn in this creek [indicating], but they do spawn in this one, and there is a diversion dam. We ask for a small ladder in there to permit them to continue to spawn.

Senator DWORSHAK. You are not going to divert them to other spawning grounds?

Mr. SCHRADER. No, sir. It is to keep them going the way they are. If you wish, I will present a statement.

Senator ANDERSON. If you desire to present anything else, you may file it with the committee.

Thank you, gentlemen.

(Whereupon, at 4:05 p.m., the committee was recessed subject to call of the Chair.)

