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NAVAJO INDIAN IRRIGATION PROJECT

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HEARING
BEFORE THE
SUBCOMMITTEE ON
WATER AND POWER RESOURCES
OF THE
COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
UNITED STATES SENATE
NINETY-FIRST CONGRESS
FIRST SESSION
ON
S. 203

A BILL TO AMEND THE ACT OF JUNE 13, 1962 (76 STAT. 96), WITH
RESPECT TO THE NAVAJO INDIAN IRRIGATION PROJECT

JULY 15, 1969



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

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BEFORE THE

SUBCOMMITTEE ON

WATER AND POWER RESOURCES

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

HENRY M. JACKSON, Washington, *Chairman*

CLINTON P. ANDERSON, New Mexico
ALAN BIBLE, Nevada
FRANK CHURCH, Idaho
FRANK E. MOSS, Utah
QUENTIN N. BURDICK, North Dakota
GEORGE McGOVERN, South Dakota
GAYLORD NELSON, Wisconsin
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TED STEVENS, Alaska
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JERRY T. VERKLER, *Staff Director*
STEWART FRENCH, *Chief Counsel*
DANIEL A. DREYFUS, *Professional Staff Member*
CHARLES COOK, *Minority Counsel*

SUBCOMMITTEE ON WATER AND POWER RESOURCES

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(II)



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NAVAJO INDIAN IRRIGATION PROJECT

TUESDAY, JULY 15, 1969

U.S. SENATE,
SUBCOMMITTEE ON WATER AND POWER RESOURCES OF THE
COMMITTEE ON INTERIOR AND INSULAR AFFAIRS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 3110, New Senate Office Building, Senator Clinton P. Anderson (chairman of the subcommittee) presiding.

Present: Senators Anderson, Moss, Jordan of Idaho, Allott, and Fannin.

Also present: Jerry T. Verkler, staff director, Daniel Dreyfus, professional staff member, and Charles Cook, minority counsel.

Senator ANDERSON. The committee will be in order.

The hearing today is on S. 203, a bill to amend the act of June 13, 1962, with respect to the Navajo Indian project. The bill and accompanying reports will be printed at this point.

(The data referred to follow:)

[S. 203, 91st Cong., first sess.]

A BILL To amend the Act of June 13, 1962 (76 Stat. 96), with respect to the Navajo Indian irrigation project

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of June 13, 1962 (76 Stat. 96), is amended as follows:

(a) By deleting "and" in the first sentence of section 3(a) immediately preceding "townships 27" and by inserting immediately preceding "New Mexico principal meridian", the following: "townships 26 and 27 north, range 11 west, and townships 24, 25, and 26 north, ranges 12 and 13 west,";

(b) By deleting "\$135,000,000 (June 1961 prices)" in the first sentence of section 7 and substituting in lieu therefor "\$175,000,000 (January 1966 prices)"; and

(c) By adding the following subsection to section 3:

"(d) The Secretary of the Interior shall compensate the persons whose grazing permits, licenses, or leases covering lands declared to be held in trust for the Navajo Tribe pursuant to section 3(a) of this Act are canceled after the date this subsection becomes effective. Such compensation shall be determined in accordance with the standards prescribed in the Act of July 9, 1942, as amended (43 U.S.C. 315q), and shall be paid from the moneys received by the United States from the Navajo Tribe for the full appraised value of such lands under the provisions of section 3(a)."

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., July 14, 1969.

HON. HENRY M. JACKSON,
*Chairman, Committee on Interior and Insular Affairs,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for the views of this Department on S. 203, a bill "To amend the Act of June 13, 1962 (76 Stat. 96), with respect to the Navajo Indian irrigation project."

We recommend the enactment of the bill if it is amended as discussed in this report.

The bill amends the Act of June 13, 1962 (75 Stat. 96), with respect to the Navajo Indian Irrigation Project by providing for the acquisition of certain additional lands to be included in the Navajo Indian Irrigation Project in lieu of certain other lands now in the project, by increasing the total estimated cost of the project, and by authorizing the Secretary of the Interior to pay compensation to individuals for the loss of grazing privileges resulting from the cancellation of grazing permits, licenses, or leases.

The Act of April 11, 1956 (70 Stat. 105), as amended by the Act of June 13, 1962 (76 Stat. 96; 43 U.S.C., 620-620o), authorized the construction, operation and maintenance of the Navajo Indian Irrigation Project as a participating project of the Colorado River Storage Project. Section 2 of the 1962 Act, *supra*, provides that the Navajo Indian Irrigation Project is for the principal purpose of furnishing irrigation water to approximately 110,630 acres of land in New Mexico. A portion of this 110,630 acres is located outside the boundaries of the Navajo Indian Reservation and is federally owned. Section 3(a) of the Act authorizes the acquisition of those lands outside the Navajo Indian Reservation, described by township and range, in order to provide for the most economical development of the Navajo Indian Irrigation Project.

Subsequent to the Act of June 13, 1962, *supra*, the authorized restudy of the 110,630 acre Navajo Indian Irrigation Project indicated that certain reservation lands west of the Chaco Wash, and included in the original feasibility study, were not suitable for sustained irrigation. These lands were removed from the project. However, in order to maintain a project area of the size authorized, an equivalent area of land was found east of the Chaco Wash. Part of these new lands is located on the reservation and the remainder in areas outside the reservation and outside the particular townships and ranges as set forth in the authorizing legislation. These alternate lands not only contain soils of an equal or better classification than the lands excluded from the original project area, but also provide a more compact project. Moreover, by the inclusion of the alternate lands within the project, such consolidation of lands will eliminate the necessity of the construction of a large 17 mile long siphon, which would otherwise be needed to carry the waters of the main canal and two small canals.

As the new areas outside the reservation are located in different townships and/or ranges than originally authorized, amendatory legislation is required before steps can be taken to acquire the necessary land.

The restudy mentioned above also indicated that the originally planned and authorized cost of \$135,000,000 (June 1961 prices) is no longer sufficient to complete the project. Based on January 1966 prices, the project will cost \$175,000,000. While there is no immediate need for the additional funding authorization, it is believed that it is necessary for proper planning.

We suggest that the language of subsection (d) as it appears in page 2, lines 4 through 14, be deleted and the following language be substituted in lieu thereof:

"(d) Any permits, licenses, or leases that have been granted on lands acquired and declared to be held in trust for the Navajo Tribe pursuant to section 3(a) of this Act shall be cancelled on the effective date of this Act, except that permits, licenses, or leases whose term has not expired at the time of cancellation thereof by this Act, shall continue in effect for the term of the permit, license, or lease under regulations for Indian lands until the land is required for irrigation purposes. When such lands are required for irrigation purposes, the permittee, licensee, or lessee shall be compensated by the Navajo Tribe proportionately for the value of developments or improvements made by such permittee, licensee, or lessee and which such permittee, licensee, or lessee was unable to utilize fully because of the cancellation of the permit, license, or lease, as determined by the Secretary of the Interior."

The amendment provides for the payment of compensation for the value of only that portion of developments or improvements made to grazing lands by the permittee, licensee, or lessee and which such permittee, licensee, or lessee was unable to utilize fully because of the cancellation of the permit, license, or lease, rather than payment of compensation for the loss of grazing privileges as a result of the cancellation as set out in the bill. The amendment further provides that recognition shall be given to those individuals holding unexpired grazing permits, licenses, or leases at the time of the cancellation thereof to continue the use of the land for grazing purposes for the duration of the period cited in the permit, license, or lease, provided that the land is not immediately needed for irrigation

purposes. Such continued use of the land by the permittee, licensee, or lessee to be under regulations governing grazing on Indian owned lands. Moreover, the continued use of the land by the permittee, licensee, or lessee may allow the scheduling of the phasing out of permittee operations and eliminate the necessity of the payment of any compensation.

There is no legal obligation for payment of compensation for cancellation of grazing permits, licenses, or leases. However, there is an established practice recognized in federal regulations (43 CFR 2311.2; 43 CFR 4111.4-3(f)) for payment for improvements when lands are disposed of by the United States. We follow this precedent in the amendment we propose. Further, we believe that the amendment is needed to avoid a precedent being established for the payment of compensation for the loss of grazing privileges, which privileges may be terminated at any time. The payment of any compensation for the loss of grazing privileges would recognize vested rights that do not exist.

We know of only two public laws which provide for payment for loss of grazing privileges—the Act of September 2, 1958 (72 Stat. 1686), which involved the exchange of public land for Navajo tribal land needed for the Glen Canyon project, and the Act of October 15, 1962 (76 Stat. 954), which involved the exchange of public lands for southern Ute Indian lands needed for the Navajo Dam and Reservoir Project. These involved unusual situations where Indian lands needed for these projects were acquired by exchange for public lands which were underauthorized grazing use. In reporting on the bills, 87th Congress, which were enacted on October 15, 1962, as Public Law 87-828, the Department pointed out that it regarded both cases as unique, and did not consider them as precedents for payment when a grazing privilege is extinguished because of changing land-use patterns.

The Taylor Grazing Act expressly provides that issuance of a grazing permit "shall not create any right, title, interest, or estate in or to the lands." (43 U.S.C. 315B (1964)). Grazing permits are only a privilege withdrawable at any time for any use by the sovereign without payment of compensation. *McNeil v. Seaton*, 281 F. 2d 931 (D.C. Cir. 1960). A grazing permittee enters into a lease knowing that the land may at some time be needed for another use. However, war and national defense purposes were considered to be uses for which a permittee would not have contemplated he would be deprived of his grazing privilege. For this reason the Act of July 9, 1942 (56 Stat. 654; 43 U.S.C. 315q) was passed during World War II to provide for compensation for grazing leases lost because the lands were being used for war purposes. Later, in 1948, payments were permitted where the land was used for national defense purposes.

The same reasoning was used in the Glen Canyon Act and the Navajo Dam and Reservoir Act. Here, too, were special circumstances, not to be expected by the grazing users; an exchange of public lands for Indian lands rather than a purchase of Indian lands. The public lands involved would not otherwise have been suitable for reclamation project purposes.

The bill provides that compensation shall be determined in accordance with the "standards" prescribed in the 1942 Act. That Act provides for payment of amounts determined to be "fair and reasonable for the losses suffered by such persons as a result of the use of such lands for war or national defense purposes." In addition to being indefinite, these standards are not particularly applicable to the situation covered by this bill. The reference, therefore, appears meaningless.

Under the present rate of funding of the construction of the Navajo Irrigation Project, the first water will not be delivered to project lands until 1975, which would allow the use of such project lands for grazing purposes for at least six more years. A much longer period is possible if funds are not forthcoming to maintain the revised schedule of construction.

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,

RUSSELL E. TRAIN,
Under Secretary of the Interior.

STATEMENT OF HON. CLINTON P. ANDERSON, A U.S. SENATOR FROM THE STATE OF NEW MEXICO

Senator ANDERSON. The Navajo Indian Irrigation project, to serve 110,630 acres of irrigable Navajo Indian land, was authorized by a

bill I sponsored and which became Public Law 87-483 on June 13, 1962. The law provides appropriations to the Bureau of Indian Affairs with subsequent transfer to the Bureau of Reclamation for construction activities. Construction was started during fiscal year 1963.

The Navajo Indian Irrigation project was authorized in an effort to fulfill our obligations under the 1868 treaty between the United States and the Navajo Tribe of Indians by providing farming land to as many Navajos as possible, to assist in providing employment and improving the general economy of the Navajo Tribe of Indians.

The first money allocated to the project was \$300,000 in 1963, which was money transferred by the Secretary of the Interior to the Navajo irrigation account to initiate preliminary work. To date there has been a total of \$28,346,000 in additional funds appropriated to the project. The Bureau of Indian Affairs and the Bureau of Reclamation have estimated that their need for the project during the period 1963 to 1969 was \$84,052,000. I have repeatedly urged the Appropriations Committee to put this program on schedule, but in recent years we have been faced with the problems of the Vietnam war and, unfortunately, many worthy projects have lacked adequate funds.

During these years, questions were also raised about the feasibility of bringing under irrigation a portion of the lands west of Chaco River, which would necessitate construction of a costly 19-mile siphon across the Chaco River and thereby increase the project cost by about \$26 million. This raised questions as to whether or not it would be economically feasible to develop the entire project of 110,000 acres as originally planned. In order to resolve this question, the Secretary of the Interior early in 1966 directed that a joint task group be set up under the leadership of the Bureau of Reclamation to restudy the project and reevaluate the original proposal.

The task group was composed of six senior departmental employees, divided equally between the Bureau of Reclamation and the Bureau of Indian Affairs. Also participating was Mr. S. E. Reynolds, New Mexico State engineer. The task group, under the chairmanship of Mr. Leon Hill, Director of the Bureau of Reclamation's office in Amarillo, Tex., was supported by five work groups. The task force, after a thorough study of all phases of the proposal and of the possibilities for putting the Navajo water to the best possible economical benefit, concluded that:

(1) Based on information available to the task force, we should continue to contemplate a 110,630-acre irrigation project.

(2) Advances in technology may create additional resource development opportunities in the future.

(3) The estimated increase in cost of the main canal from the Navajo Reservoir to the Kutz pumping plant to serve a 110,630-acre project—in contrast to a 77,543-acre project—is \$4 million.

The task force recommended that—

(1) Only water needed to provide for efficient irrigation operation on the 110,630 acres of land should be diverted from Navajo Reservoir, and the full 508,000 acre-feet which are authorized in the law should be diverted if needed, if supported by the tribe.

(2) We proceed with the construction of the main canal at 1,800-cubic-feet-per-second capacity to the Kutz pumping plant to serve the 110,630 acres.

(3) Surveillance, analysis, and study of the Navajo resources,

including technological advances affecting the use of those resources, be continued.

In order to carry out these recommendations in the most economical and beneficial manner, it was evident that we must eliminate the costly fingers of land west of Chaco River and attempt to consolidate the lands as much as possible on the east side of the river. In order to block up the land into a more economical unit the Navajo Tribe needed authority to purchase certain lands in townships 26 and 27 north, range 11 west; and townships 24, 25, and 26 north, ranges 12 and 13 west. It was also determined that because of the continuing spiral of costs of construction based on 1966 costs, it would be necessary to increase the authorization for the project from \$135 million to \$175 million.

In the 89th Congress I introduced S. 3459 to do this, but we were unable to get this bill reported. Again—in the 90th Congress—I introduced this as S. 284, but there was no action. I introduced S. 203, subject of these hearings, early in the 91st Congress, and I hope that by these hearings we will be able to clear up any questions and agree as to what we should approve and send this bill to the House at an early date.

Senator Montoya.

STATEMENT OF HON. JOSEPH M. MONTOYA, A U.S. SENATOR FROM THE STATE OF NEW MEXICO

Senator MONTOYA. Senator Anderson, members of the Subcommittee on Water and Power Resources I appreciate the opportunity to appear before you to urge favorable consideration of S. 203, a bill introduced by Senator Anderson, chairman of this subcommittee, with respect to the Navajo Indian irrigation project.

S. 203 would include additional lands in the project area; would increase the authorized project cost ceiling; and would provide authority for the Secretary of Interior to reimburse persons having grazing permits, licenses, or leases on lands which are taken for the project.

Mr. Chairman, the Navajo Nation presently numbers approximately 120,000 persons. By the year 2000, it is estimated that there will be almost 400,000 Navajos. The Navajo Nation has been increasing at an average annual rate of 3.4 percent, compared to the national average annual rate of growth of 2.1 percent.

Every year there are 3,000 Navajos entering the labor market, with only approximately 8,000 being fully employed in the wage economy. Over 51 percent of the Navajo labor force was unemployed in 1966. An additional 23 percent of the Navajos were underemployed or employed in traditional activities such as sheepherding or subsistence farming.

The Navajo, like the American Indian in general, is poorly housed with 80 percent of the Navajos living in one-room dwellings or mud hogans. The majority of the housing is primitive with their inhabitants not knowing about even the more familiar of the modern conveniences that we all take for granted such as running water or inside toilets.

We could go on and on with respect to health, education, poverty, and all the other segments of today's society and find the Navajo at the bottom of the totem pole. Suffice it to say that a stable economic

base is required for the Navajo Reservation to avoid a total welfare condition on the reservation. Improvement of the agricultural economy would assist the Navajo tremendously. To accomplish this, however, water is essential.

Now, Mr. Chairman, I do not want to belabor the attention of the committee with my statement, but I would like to highlight it and have the statement included as part of the record.

Senator ANDERSON. Without objection, that will be done.

Senator MONTROYA. The great concern that we have here today is the slow rate of construction, slow rate of programing, and the increment in cost that this slow rate is bringing about and which necessitates the additional authorization sought in the chairman's bill.

The foregoing benefits which I have mentioned in my statement give us a cause for great reflection. One can only pause in disbelief at the tremendously slow rate of progress which this project has been making. One would think that were all that we stand to gain from completion of the project that every effort would be made to seek completion of the project at an early date. However, the very opposite has been true. The project has been proceeding at an unbelievably slow pace.

For example, through fiscal year 1969, a total of \$75,800,000 has been programed for this project. Of this, however, only a total of \$28,300,000 has been requested by the Bureau of the Budget and appropriated by the Congress. Although the project was scheduled to be completed by 1979, 15 years from beginning of construction, it will now take 45 years or more to complete at the present rate of progress.

And I might say just last Friday, Mr. Chairman, the House Interior Committee, Subcommittee on Appropriations added \$2 million to the budget request of \$3.5 for this current fiscal year for construction of the Navajo Indian irrigation project; and hopefully that the Senate will add a little more to this so that we can try to catch up with the rate of programed construction that was anticipated when the original bill passed the Congress.

Now, we are only about one-third as far as we should be in the construction period. First irrigation water was scheduled to be delivered by 1970; however, due to delay in the construction, first irrigation water will not be delivered until 1977.

Now, with the able leadership of Senator Anderson, I have been waging a vigorous battle every year in Congress to increase the appropriation for this project. But every year the Bureau of the Budget systematically and drastically reduces the budget request.

I would like at this point to insert in the record a comparison of programed with actual appropriations funds through fiscal year 1969.

Senator ANDERSON. Without objection that will be included.

(The table referred to follows:)

COMPARISON OF PROGRAMED WITH ACTUAL APPROPRIATIONS FUNDS

	Programed funds		Actual appropriations	
	Annual	Cumulative	Annual	Cumulative
Fiscal year:				
1964.....	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000
1965.....	9,000,000	10,800,000	4,700,000	6,500,000
1966.....	12,000,000	22,800,000	6,500,000	13,000,000
1967.....	13,000,000	35,800,000	6,500,000	19,500,000
1968.....	18,000,000	53,800,000	5,300,000	24,800,000
1969.....	20,000,000	73,800,000	3,500,000	28,300,000

Senator MONTOLA. This year I am dedicated to seeking increased appropriations, as I have told you. Now, I mentioned the inadequate appropriations because I believe that the slow rate of progress which has been made thus far is one of the reasons costs have gone up and you are being asked to consider additional authorizations for the project. I further believe that only with full funding will we complete the project without the total cost skyrocketing even more before completion.

Now, there is a need for S. 203. There can be no doubt about it, Mr. Chairman.

I merely want to say for the benefit of the other members of the committee that may not know the history of our obligations to the Navajos that this country moved these people from eastern New Mexico during the Indian wars in New Mexico and settled them on the most desolate part of the State which is now the Navajo Reservation and there at the point of a gun entered into a treaty with the Navajo people and they are under the terms of this treaty which is still the law of the land, the Government pledged that they would place these Indians in this area, give them seed, give them opportunity to develop the farmlands in this particular section where the rainfall is about 8 inches a year, and since this treaty was entered into and for the last 100 and some years the Federal Government has done very little. In fact, we do not have enough schools on the Navajo Reservation. We have been moving at a fast pace in the last 15 years, but the pace is not fast enough to cope with the needs of the Navajo Nation.

Now, the great unemployment rate which I cited is due mostly to the fact that the Navajos have not been able to develop industrially and to try to do something with their resources. Although great strides have been made in the last 10 years, we have sawmills. We have tourist courts. We have housing started, and we have other things. We have health clinics. But the Navajo Indian irrigation project is going to give these people an opportunity to uplift themselves socially and to provide a community life which will enable them to develop schools and to be in one place instead of nomads all over the reservation. And I think this country under its treaty obligations should respond as quickly as possible, because we have delayed compliance long enough.

And this is about all I have to say, Mr. Chairman, and I certainly want to thank you for the opportunity of appearing before your committee.

Senator ANDERSON. We appreciate your fine statement, also your fine work. We are very happy to have you here this morning.

Senator JORDAN, do you have any questions?

Senator JORDAN. No; no questions. It is a good statement.

Senator MONTOLA. Thank you, sir.

Senator MOSS. I want to commend the Senator for his fine statement. Not only do we have this obligation to the Navajo Nation which we are not keeping, but it seems to me that it is the most shortsighted kind of economy to stretch out the completion of water conservation projects. Everybody knows that costs are galloping upward all the time and every delay means that more money must be appropriated in the long run to finish the project. Surely we do not want to do that. Second, by delaying the time when the project begins to get results,

again you have delayed fiscal recovery—this is setting aside all the human consideration, just talking plain money—and this we are running into in so many of our projects. Now with all this, there is perhaps an optimum amount. You could probably get too much money so that you could not spend it efficiently, but what we are confronted with here and what you are talking about is the long stretchout and delay so that it will take 20 or 30 years to build a project that ought to be done in 6 or 7 years or less. I have the greatest of sympathy with the point that you are making, and I commend you for bringing it before this committee. The chairman's bill is certainly one that I support.

Senator MONTROYA. I might add, Mr. Chairman—I want to thank the Senator from Utah for his observations—I requested on April of this year an estimate from the Bureau of Indian Affairs as to what the new project costs, on the basis of construction progress that had been laid out, would be and the projections for funding that had been laid out at that time. The Bureau of Indian Affairs gave me an estimate of \$230 million in April of this year. This was based on an increment of cost averaging 4 to 5 percent per year which would bring the completion date to 1990. I think, if we are going to save the Government money, because this is not a reimbursable project, that it is in the interest of the Government to provide better funding and will save money in the process.

Senator ANDERSON. Senator Hansen.

Senator HANSEN. I do not have any questions, Mr. Chairman. I want to compliment you for your diligence in seeing that justice is eventually done to the Navajo Nation, and to compliment the distinguished junior Senator from New Mexico for a very fine statement.

Senator ANDERSON. Thank you very much.

Senator MONTROYA. Thank you very much, gentlemen.

(The statement referred to follows:)

STATEMENT OF HON. JOSEPH M. MONTROYA, A U.S. SENATOR FROM THE STATE OF NEW MEXICO

INTRODUCTION

Senator Anderson, members of the Subcommittee on Water and Power Resources. I appreciate the opportunity to appear before you to urge favorable consideration of S. 203, a bill introduced by Senator Anderson, Chairman of this Subcommittee, with respect to the Navajo Indian Irrigation Project.

S. 203 would include additional lands in the Project area; would increase the authorized project cost ceiling; and would provide authority for the Secretary of Interior to reimburse persons having grazing permits, licenses, or leases on lands which are taken for the Project.

PLIGHT OF THE NAVAJO

Mr. Chairman, the Navajo Nation presently numbers approximately 120,000 persons. By the year 2000, it is estimated that there will be almost 400,000 Navajos. The Navajo Nation has been increasing at an average annual rate of 3.4% compared to the national average annual rate of growth of 2.1%.

Every year there are 3,000 Navajos entering the labor market, with only approximately 8,000 being fully employed in the wage economy. Over 51% of the Navajo labor force was unemployed in 1966. An additional 23% of the Navajos were underemployed or employed in traditional activities such as shepherding or subsistence farming.

The Navajo, like the American Indian in general, is poorly housed with 80% of the Navajos living in one room dwellings or mud hogans. The majority of the housing is primitive with their inhabitants not knowing about even the more familiar of the modern conveniences that we all take for granted such as running water or inside toilets.

We could go on and on with respect to health, education, poverty, and all the other segments of today's society and find the Navajo at the bottom of the totem pole. Suffice it to say that a stable economic base is required for the Navajo reservation to avoid a total welfare condition on the reservation. Improvement of the agricultural economy would assist the Navajo tremendously. To accomplish this, however, water is essential.

IMPORTANCE OF NAVAJO INDIAN IRRIGATION PROJECT

Mr. Chairman, as the record already shows and, as you so well know, having been one of the original sponsors of this Project, the Navajo Indian Irrigation Project was authorized by Public Law 87-483, signed into law on June 13, 1962. It was my pleasure to have been serving in the U.S. House of Representatives during this time and to have introduced the House companion bill, H.R. 6451, the provisions of which were subsequently enacted into law. The distinguished Chairman of this Subcommittee, my close and esteemed colleague from New Mexico, Senator Anderson, was the principle mover of the legislation on the Senate side.

The Navajo Indian Irrigation Project was one of two projects authorized by P.L. 87-483, the other being the initial stage of the San Juan-Chama diversion project. Both projects are located in Northern New Mexico and are participating projects of the Colorado River storage project.

Mr. Chairman, I will not go into the project in great detail. You, in particular, and the Subcommittee, in general, are very well apprised of the Project. I think it important, however, that we bear in mind that the Project was authorized for the principal purpose of furnishing water to irrigate land for use by the Navajo Indians in partial fulfillment of a treaty entered into by the United States and the Navajo Nation in 1868.

Pursuant to this treaty, the United States agreed to grant agricultural land to the members of the Navajo Tribe. But the land that has been granted the Navajos averages a miserly 8 inches of precipitation a year. Nothing will grow under these conditions unless irrigated. The Navajo Indian Irrigation Project was designed to meet this critical water need.

The Project, when completed, will provide irrigation for over 110,000 acres of land within and adjacent to the Navajo Indian Reservation. The Project would:

- Create 1,120 new farms for Navajo families;
- Bring into the area the associated and allied industries of agriculture such as canning factories, cold storage package plants, creameries, meat processing, feed processing, and other related industries;
- Provide employment opportunities for up to 9,000 Navajos, with employment opportunities directly benefiting up to 33,000 Navajos or approximately 28% of the Navajo population;
- An estimated total of 80,000 would benefit at least indirectly;
- Will provide for a local annual payroll of \$41.4 million with \$32.5 million going to Navajos and would provide for an average salary or wage per Navajo worker of \$4,900 per year;
- The construction of the Project itself is expected to generate about 8,400 man-years of on-site work and to require an equivalent of more than 12,000 man-years of work in other areas throughout the country in providing the necessary services, materials, and equipment;
- Provide an annual gross farm income of \$32,610,000 with an annual net farm income of \$11,041,000;
- Provide for \$288 million in original capital investments;
- Provide for \$21.3 million in Federal non-project and Tribal investment for schools, roads, etc.;
- Provide \$66.9 million in on-farm investments;
- Provide \$24.5 million in commercial investments; and
- Will provide supplemental municipal supplies to Farmington, Gallup, and other New Mexico communities.

In short, Mr. Chairman, the development of the project will have a tremendous economic impact on the livelihood of the Navajo population, on a large segment of Northern New Mexico, as well as have an economic impact throughout the Nation. The project can be expected to be a major factor in furthering the transition of the traditionally pastoral Navajo from the simple subsistence economy of raising sheep to participating in the agricultural economy of the Nation. It will not only provide economic relief to existing poverty conditions but also provide a long term stable economy.

SLOW RATE OF CONSTRUCTION

Mr. Chairman, with the foregoing benefits well in mind, one can only pause in disbelief at the tremendously slow rate of progress which this Project has been making. One would think that with all that we stand to gain from completion of the Project that every effort would be made to seek completion of the Project at an early date. However, the very opposite has been true. The Project has been proceeding at an unbelievably slow pace.

For example, through fiscal year 1969, a total of \$73,800,000 had been programmed for this Project. Of this, however, only a total of \$28,300,000 has been requested by the Bureau of the Budget and appropriated by the Congress. Although the Project was scheduled to be completed by 1979, 15 years from beginning of construction, it will now take 45 years or more to complete at the present rate of progress. We are now only about one-third as far as we should be in our construction period. First irrigation water was scheduled to be delivered by 1970; however, due to delay in the construction, first irrigation water will not be delivered until 1977.

With the able leadership of the Chairman of this Subcommittee, I have been waging a vigorous battle every year in Congress to increase the appropriations for this Project. But every year, the Bureau of the Budget systematically and drastically reduces the budget request. I would like at this point to insert in the hearing record a comparison of programmed with actual appropriated funds through fiscal year 1969.

This year I am dedicated to seeking increased appropriations for this Project in an effort to get it back on schedule as quickly as possible. This past week, the House Interior Appropriations Subcommittee, at my request, and with the sympathetic assistance of my good friend Congresswoman Julia Butler Hansen, increased the Budget request of \$3.5 million to \$5.5 million for fiscal year 1970. The Bureau of Indian Affairs has indicated they could utilize up to \$15 million for FY 1970. As a member of the Senate Appropriations Subcommittee on the Department of the Interior, I intend to seek a greater increase in the appropriation.

I mention the inadequate appropriations because I believe that the slow rate of progress which has been made thus far is one of the reasons costs have gone up and you are being asked to consider additional authorizations for the Project. I further believe that only with full funding will we complete the Project without the total cost skyrocketing even more before completion.

NEED FOR S. 203

What has this slow rate of progress meant? Among other things it has meant a broken promise to our Navajo citizens. Of immediate concern it has meant an increased cost for the Project. Originally, Mr. Chairman, the total cost of the Project was estimated at \$135,000,000. This was based on 1961 prices. A revised estimate, based on 1966 prices, however, shows us that the cost of the Project has jumped to \$175,000,000 in the five years between 1961 and 1966. Some of the increase may be attributed to changes in design but mostly the increase is due to rising prices caused by inflation.

Thus, subsection (b) of S. 203 which is before you today would increase the authorization to \$175,000,000. This will be necessary, as you know, Mr. Chairman, if the Project is to continue to completion.

I might add here Mr. Chairman, that at my request in April of this year, the Bureau of Indian Affairs supplied me with a revised project cost estimate in the amount of \$230 million. This was based on projected rate of expenditures and upon the experience of price increases for the type of work involved, about 4% to 5% per year, with completion date targeted for 1990.

It can be readily seen that if we don't speed up the rate of construction of this project that the cost will soon be nearly double the original estimate. With the inflated prices we see on today's market, we can probably expect that future price increases will be greater than the 4% to 5% annual increase we have witnessed to date. Thus, we may later have to seek an increased authorization of not only \$230 million, but even more.

Mr. Chairman, it is essential that Congress not only authorize as a minimum the \$175 million figure proposed by S. 203, but that extremely serious attention be given by this and subsequent Congresses to the proposition that we seek to complete the Project as close to the originally estimated completion date of 1979 as possible. It has taken us only five years to fall behind schedule. By re-

doubling our commitment to finish this Project, we could, with sufficient funding, complete the Project shortly after 1979. If I did not think this possible, I would recommend to you today that we authorize not the \$175 million request which is contained in S. 203, but the \$230 million which has been projected by BIA if the Project is not completed before 1990. However, rather than continuing to increase projected cost estimates, let us increase our appropriations to a realistic level. The \$175 million authorization is necessary now to permit completion of the Project. Let us dedicate ourselves to adequate appropriations in the future, however, so that no future, additional authorization is required.

I would like to make brief mention of the two other sections of S. 203, having already made mention of subsection (b) which increases the authorization level. There are other witnesses here today that will testify in greater detail on these, including New Mexico's State Engineer, Mr. Steve Reynolds; my good friend Raymond Nakai, Chairman of the Navajo Tribe; as well as other Indian and Federal agency representatives.

I would like, however, to state for the record my support of subsection (a) of the bill which would authorize the incorporation of lands from five (5) townships not included in the original authorization. In the course of preconstruction planning, the Bureau of Reclamation has found that construction of the Project could be accomplished at a lesser cost and the Project operate more efficiently, if lands east of Chaco Canyon were irrigated instead of lands west of Chaco Canyon. This would result in the elimination of a proposed 19 mile siphon crossing Chaco Canyon and would reduce the total cost of the Project by about \$22.6 million. Subsection (a) of S. 203 would provide the necessary authority to permit the acquisition of this needed land.

Subsection (c) of S. 203 would authorize the Secretary of the Interior to compensate individuals having grazing permits, licenses, or leases covering lands required for the Project by subsection (a) of this bill, and whose rights would be cancelled if this measure were enacted. Others will testify in greater detail on this provision.

CONCLUSION

Mr. Chairman, this concludes my prepared statement. I commend you for your leadership on this matter and I would urge that your Subcommittee and the Full Committee move promptly to enact this measure so that construction of the Navajo Indian Irrigation Project may proceed without interruption or additional delay. I believe that the record you will develop here today will also be invaluable as we continue our efforts to seek adequate funding of this Project.

Thank you.

Senator ANDERSON. Assistant Secretary Loesch.

STATEMENT OF HARRISON LOESCH, ASSISTANT SECRETARY OF THE INTERIOR, PUBLIC LAND MANAGEMENT

Mr. LOESCH. Mr. Chairman and members of the subcommittee, it gives me a great deal of pleasure to be here this morning to testify in behalf of the bill before us, subject to a couple of suggested amendments.

I have here a rather lengthy statement which I do not believe would be of full value to the committee to read in detail, so I would ask that it be made a part of the record and that I highlight it in my testimony, if this is satisfactory, Mr. Chairman.

Senator ANDERSON. Without objection, that will be done.

Mr. LOESCH. Following the act of June 13, 1962, which was an amendment to the original bill, certain reservation lands west of the Chaco Wash and inside the exterior boundaries of the reservation were found to be not suitable for permanent irrigation, and in consequence these lands were moved from the project and to keep the project at the same authorized size an equivalent area of land was found east of the Chaco Wash.

Now, I have on the board, as the committee can see, with the wing open as it is now, pictured the original project. And now if you will shut the old one and open the other one.

Now, in this manner is shown the new project with the black outlined areas and dotted lines the new townships proposed to be included in the project by S. 203. And we certainly recommend the amendment to include those townships. It will result in very substantial savings of various kinds in the construction of the project and considerable savings in operation of the project also, after it is completed.

The other portion of the bill concerning the payment for the cancellation of grazing fees as will be seen from page 3 of my statement and from the departmental report on the bill, we propose, a different amendment there to read, "Any permits, licenses or leases that have been granted on lands acquired and declared to be held in trust for the Navajo tribe pursuant to section 3(a) of this act shall be canceled on the effective date of the act except that permits, licenses, or leases whose term has not expired at the time of cancellation thereof by this act shall continue in effect for the term of the permit, license or lease under regulations for Indian lands until the land is required for irrigation purposes. When such lands are required for irrigation purposes, the permittee, licensee, or leasee shall be compensated by the Navajo tribe proportionately for the value of developments or improvements made by such permittee, licensee, or lessee and which such permittee, licensee or lessee was unable to utilize fully because of the cancellation of the permit, license, or lease as determined by the Secretary of the Interior."

The purpose of this amendment is to provide for a payment of compensation for the unused or unamortized value of improvements or developments made to the grazing lands by the permittee, licensee, or leasee, which he was unable to utilize fully because of the cancellation.

The continued use of the land not immediately needed for irrigation purposes would be under regulations governing grazing on Indian lands, and by continuing to allow the permittee, licensee, or leasee to use the land it might provide a means for scheduling out the phasing out of the permittee's operations and eliminate the necessity of payment of some part or perhaps in some cases even all compensation for the remaining value of his developments or improvements. And, of course, the reason for this proposed amendment is that the Department does not like the idea of causing, or having a precedent by which a vested right in grazing permit might be claimed.

The principle upon which the Department has operated has been that the grazing privileges not only in this connection but in all connections on the public lands are a privilege and may be terminated for cause at any time. And the Department believes in consequence that the only basis for payment for cancellation of the grazing privileges is a gratuitous or equitable one to avoid hardship. Of course, there have been cases, war and national defense purposes are two of them, which were considered by the Congress not to be causes of cancellation which a permittee could normally contemplate which would in turn deprive him of his grazing rights. And in those cases, the act of July 9, 1942, provided compensation for grazing leases where the land was taken for war purposes and a similar act in 1948 provided compensation where national defense required the land.

The Department in reporting on certain other bills, the Glen Canyon project, which involved the exchange of Navajo tribal lands, and the southern Ute Indian lands similarly involved unusual situations like the national defense and war purposes.

Acts, and these again were considered to be special circumstances not to be expected by those holding grazing leases on the public lands.

On page 6 of my statement I might highlight the paragraph reading Senate bill 203 provides that compensation shall be determined in accordance with the standards prescribed in the act of July 9, 1942. This act provides for payments of amounts determined to be fair and reasonable for the losses suffered by such persons as a result of the use of such lands for war or national defense purposes. In addition to being somewhat indefinite, those standards, if they are called standards, are not applicable, we believe, to the situation covered by this bill, and we do not understand its inclusion.

Turning now to the remarks of Senator Montoya and the remarks from the committee, it is certainly true that based on the projected rate of funding and the rate of funding that has been in effect, this project is greatly delayed, and water now at the present rates of funding will not be available until at least 1975. And I think I have seen an estimate of 1977. This would have the effect, of course, of causing the grazing on these lands to be continued for some time and consequently reduce the rate of, or the amount of compensation necessary to pay for unused improvements. As has been stated to the committee, the project will cost \$175 million total based on 1966 prices and certainly more than that now.

We support this bill if it is amended as suggested in order that land acquisition, planning, and other preconstruction activities on the newly authorized lands can proceed in due course.

That completes my statement, Mr. Chairman, and I will be glad to answer any committee questions if I can.

Senator ANDERSON. Senator Moss.

Senator Moss. Thank you, Mr. Chairman.

Your amendment, as I take it, is designed to allow the permits or the licenses to run their course, and when they come to the end of the term they will not be renewed. Is that the operation of it?

Mr. LOESCH. Yes, that is it in part, Senator Moss. But in addition the bill as written provides actual compensation for cancellation of the lease, of the grazing permit itself.

Senator Moss. The one that has not run out?

Mr. LOESCH. Yes; now, the only compensation that our amendment provides for is compensation for the unamortized portion of improvements, fences, watering holes, whatever, that may have been placed on the permitted ground by the permittee. It provides no compensations as such for cancellation of the lease itself.

Senator Moss. What if you have a permit that expired, say, a year before the water was available for irrigation? Would there then be no compensation at all for that permitholder?

Mr. LOESCH. It is my understanding, Senator, that he still would be entitled to compensation for, as I said, the unamortized value of any improvements he had placed on the land. And I have been puzzled in my head a little bit about the way that this would be figured out. And it was sort of my own personal conclusion, without having ex-

pert advice, that the best way to handle that would be to take the internal revenue guidelines for depreciation on such improvements and simply capitalize on that basis. In other words, I think, if I remember correctly, that a small reservoir for water purposes is a guideline to be depreciated at 5 percent a year for 20 years. So if a man put in a waterhole and had the permit for 10 years, he would have recovered on that guideline half of his investment. And if he was then canceled or his permit not renewed, he would be entitled, under this amendment, to recover the other half.

Senator Moss. The funds that would be paid for compensation would come from the same source under your amendment as stated in the bill.

Mr. LOESCH. Yes, sir.

Senator Moss. You indicate that you support the change in the figure that the bill does on the total cost of the project. Is your estimate, however, that today's costs are still higher than the \$175 million requested?

Mr. LOESCH. Yes, sir. I have—as has Senator Montoya—heard the figure of \$230 million, based on today's costs.

Senator Moss. Well, this would just be half a loaf. It would not really meet the problem fully would it?

Mr. LOESCH. Well, Senator, that \$230 million estimate is based on the present rate of funding and completion not before 1990. So if during these coming years, the funding is increased then the price would go down.

Senator Moss. I am advised by the staff that it has not reached the \$240 million mark yet, but that on 1969 prices it is estimated that the cost now is \$196,500,000. However, the project is indexed for continued anticipated inflation of costs.

Mr. LOESCH. Senator, I am not advised on that. The only \$197 million figure that I had heard was based on the lands originally included in the project. And of course that figure was substantially reduced down to the \$175 million by the change in the included lands. Now, this is my understanding.

Senator Moss. Yes. These are nonreimbursable funds though, are they not?

Mr. LOESCH. That is correct.

I am advised that that is absolutely correct, the \$175 million is on 1966 prices, and the \$196 million is on 1969 prices.

Senator Moss. I see. Well, thank you, Mr. Loesch. I think that clarifies it.

Senator ANDERSON. Senator Jordan, any questions?

Senator JORDAN. Yes.

Mr. Loesch, why has this project been so slow in meeting its schedule? Senator Montoya testified: "We are now only about one-third as far as we should be in our construction period." He said it will take 45 years or more to complete it at the present rate of progress. What is the reason why this project is going so slowly?

Mr. LOESCH. Senator Jordan, I do not have any idea frankly. The project, as you know, was authorized clear back in 1957, certain amendments in 1962. There was a restudy of it in 1965 and 1966, which has resulted in the change in lands to be included. And I presume since that time the general budget constraints have affected this program just as it has many others.

Senator JORDAN. Has the Department of Interior requested adequate sums to keep the project on schedule?

Mr. LOESCH. Well, I cannot speak for past years, Senator Jordan. Certainly, we did this year.

Senator JORDAN. What has this delay and increased cost by reason of the delay, part of it at least, done to the benefit-cost ratio?

Mr. LOESCH. Done to the what, sir?

Senator JORDAN. Done to the benefit-cost ratio of the project?

Mr. LOESCH. Well, that I cannot answer in detail. Of course, the benefit-cost ratio was 1.5 to 1 to begin with. I suppose we could calculate that that has certainly gone down to some extent. It may not have gone down as much as the bare figures would show as far as cost is concerned because the benefits may have risen by virtue of our price increases to some degree also.

Senator JORDAN. But it is not altogether pertinent because we are already committed here, and the important thing is to get the project built and in production. I just hope that your Department will do everything it can in stepping up the activities and requesting the money that would keep it on schedule.

Mr. LOESCH. Yes, sir.

Senator ANDERSON. With reference to that, was there not a situation where the land that was originally selected, was not highly productive, and different areas of land will be required?

Mr. LOESCH. Well, Mr. Chairman, the land to which the project is proposed to be switched by your bill is superior land to that which was originally included in the bill on the west side of the map there, and in addition, of course, the costs are proportionately reduced by the lack of necessity under the new plan of building a very expensive and lengthy siphon to carry across the Chaco Wash.

Is that responsive to your question, Senator?

Senator ANDERSON. Yes, but originally there were scattered areas—

Mr. LOESCH. Yes, sir, that is correct.

Senator ANDERSON. There were long fingers of land that reached into the area.

Mr. LOESCH. Right.

Senator ANDERSON. The Bureau of Reclamation said that is not the best development.

Mr. LOESCH. This is true.

Senator ANDERSON. And the Navajo tribe agreed that they should make it a compact area which would be much lower in cost.

Mr. LOESCH. Right; and this has been done. The long fingers of land to which you refer have been eliminated from the project or will be by your bill.

Senator ANDERSON. And the siphon would be eliminated; would it not?

Mr. LOESCH. Pardon?

Senator ANDERSON. There was a siphon suggested at one time.

Mr. LOESCH. Yes; a 17-mile siphon, and that is eliminated or will be eliminated.

Senator ANDERSON. And, therefore, it probably becomes a good project?

Mr. LOESCH. It should be a much better project; yes.

Senator ANDERSON. I said it was a good project. I would like to have it be a good project. The Navajos are good people. They farm, they have commercial enterprises, and they ought to have some good land.

Any further questions?

Senator Moss. No; thank you.

Senator ANDERSON. Thank you, very much.

Mr. LOESCH. Thank you, Mr. Chairman.

The prepared statement referred to follows:)

STATEMENT OF HARRISON LOESCH, ASSISTANT SECRETARY OF THE INTERIOR,
PUBLIC LAND MANAGEMENT

The act of April 11, 1956 (70 Stat. 105), as amended by the act of June 13, 1962 (76 Stat. 96, 43 U.S.C. 620-620⁶), authorized the construction, operation, and maintenance of the Navajo Indian irrigation project as a participating project of the Colorado River storage project. Section 2 of the 1962 Act, *supra*, provides that the Navajo Indian irrigation project is for the principal purpose of furnishing water to approximately 110,630 acres of land in New Mexico. As a portion of this land is located outside of the exterior boundaries of the Navajo Indian Reservation, Section 3(a) of the act authorized the acquisition of such lands outside the reservation in order to provide for the most economical development of the irrigation project. The location of such lands were described by township and range.

Subsequent to the act of June 13, 1962, *supra*, the authorized restudy of the 110,630-acre Navajo Indian irrigation project indicated that certain reservation lands west of the Chaco Wash and inside the exterior boundaries of the Indian reservation were not suitable for sustained irrigation. These lands were removed from the project. However, in order to maintain a project area of the size authorized, an equivalent area of land was found east of the Chaco Wash. Part of this new land is located on the reservation and the remainder in areas outside the reservation and outside the particular townships and ranges as set forth in the authorizing legislation. These lands not only include soils of an equal or better classification than the lands excluded from the project area but also provide a more compact project. Moreover, by the inclusion of the alternate lands within the project, such consolidation of lands will eliminate the necessity of a long, costly 17-mile siphon which would otherwise be needed to carry the irrigation waters in the main canal across the Chaco Wash.

As the new areas outside the reservation are located in different townships and/or ranges than originally authorized, amendatory legislation is required before steps can be taken to acquire the necessary land.

S. 203 would amend section 3(a) of the act of 1962, *supra*, by authorizing the acquisition of the lands in those additional townships and ranges not now authorized. We recommend this amendment. We suggest that the language of section 3(d) as it appears in S. 203, page 2, lines 4 through 14, be deleted and the following language be substituted in lieu thereof: "(d) Any permits, licenses, or leases that have been granted on lands acquired and declared to be held in trust for the Navajo Tribe pursuant to section 3(a) of this act shall be canceled on the effective date of the Act, except that permits, licenses, or leases whose term has not expired at the time of cancellation thereof by this Act, shall continue in effect for the term of the permit, license, or lease under regulations for Indian lands until the land is required for irrigation purposes. When such lands are required for irrigation purposes, the permittee, licensee, or lessee shall be compensated by the Navajo Tribe proportionately for the value of developments or improvements made by such permittee, licensee, or lessee and which such permittee, licensee, or lessee was unable to utilize fully because of the cancellation of the permit, license, or lease, as determined by the Secretary of the Interior."

This amendment would provide for the payment of compensation for unused or unamortized value of those improvements or developments made to the grazing lands by the permittee, licensee, or lessee which he was unable to utilize fully because of the cancellation of the permit, license, or lease, rather than payment or compensation for the loss of grazing privileges as a result of the cancellation as set out in the bill. This amendment further provides that recognition shall be

given to those individuals holding unexpired grazing permits, licenses, or leases at the time of their cancellation thereof to continue to use the land for grazing purposes for the duration of the period cited in the license, lease, or permit, providing that the land is not immediately leased at the time of their cancellation thereof to continue to use the land will then be under the regulations governing grazing on Indian lands. By continuing to allow the permittee, licensee, or lessee to use the land, this may provide a means for scheduling the phasing out of the permittee's operations and eliminate the necessity of payment of any compensation for the remaining value of his developments or improvements.

The Taylor Grazing Act expressly provides that issuance of a grazing permit "shall not create any right, title, interest, or estate in or to the lands" (43 U.S.C. 315(b) (1964)). Grazing permits are only a privilege withdrawable at any time for any use by the sovereign without payment of compensation. A permittee enters into a grazing lease knowing that the lease may be revoked if the land at some time during the life of his lease may be needed for another purpose or use. We believe this amendment is needed to avoid the principle being established of payment of compensation for the loss of grazing privileges, which privileges may be terminated for cause at any time. Since there is no legal obligation for payment of compensation for the cancellation of grazing privileges, the only basis for such payment is a gratuitous or equitable one to avoid hardship.

War and national defense purposes were considered to be uses for which a permittee would not contemplate that he would be deprived of his grazing privileges. For this reason, the act of July 9, 1942 (56 Stat. 654, 43 U.S.C. 315g), was passed during World War II to provide for compensation for grazing leases lost because the lands were taken for war purposes. In 1948, payments were permitted where the land was taken for national defense purposes.

We know of only two public laws which provide for payment for loss of grazing privileges—the act of September 2, 1958 (72 Stat. 1686), which involved the exchange of public lands for Navajo tribal land needed for the Glen Canyon project, and the act of October 15, 1962 (76 Stat. 954), which involved the exchange of public lands for Southern Ute Indian lands needed for the Navajo Dam and Reservoir. These involved unusual situations where Indian lands needed for these projects were acquired by exchange for public lands which were under authorized grazing use. In reporting on the bills to the 87th Congress, which were ultimately enacted on October 15, 1962, Public Law 87-828, the Department pointed out that it regarded both cases as unique and did not consider them as precedents for payment when a grazing privilege is extinguished because of changing land use patterns.

Here again were special circumstances not to be expected by those holding grazing leases on the public lands; an exchange of public lands for Indian lands rather than the purchase of Indian lands. S. 203 provides that compensation shall be determined in accordance with the "standards" prescribed in the act of July 9, 1942. This act provides for payment of amounts determined to be "fair and reasonable for the losses suffered by such persons as a result of the use of such lands for war or national defense purposes." In addition to being indefinite, these standards are not applicable to the situation covered by S. 203. Therefore, the reference appears meaningless.

Based on the projected rate of funding for the construction of the Navajo irrigation project, water will not be available to the first project lands until a least 1975. Consequently, it could be expected that it would be possible to continue grazing some of the lands to be acquired for the project at least 6 more years or longer. If funding continues at the present rate, then a much longer period of grazing is possible.

The restudy mentioned in the first part of this statement also indicated that the originally planned and authorized cost of \$135 million (June 1961 prices) was no longer sufficient to complete the project. Based on 1966 prices, the project will cost \$175 million. While there is no immediate need for the additional funding authorization, it is believed that it is desirable for proper planning.

We support S. 203 if amended as suggested in order that land acquisition, planning, and other pre-construction activities on the newly authorized area can proceed in future years.

Senator ANDERSON. Steve Reynolds.

Mr. Reynolds, you and I have been discussing this project for at least 15 years. I am glad to see you here today.

**STATEMENT OF STEVE E. REYNOLDS, NEW MEXICO STATE
ENGINEER, SANTA FE, N. MEX.**

Mr. REYNOLDS. Thank you, Mr. Chairman.

My name is S. E. Reynolds. I am secretary of the New Mexico Interstate Stream Commission.

Senator ANDERSON. How long have you been in this capacity?

Mr. REYNOLDS. It will be 14 years in August, Senator. Your guess was very close.

Mr. Chairman, the chairman of our Interstate Stream Commission, Mr. I. J. Coury, asked me to express to you his gratification at these hearings on S. 203, and to express his regret that he could not be here. As you know, he was elected to the New Mexico Constitutional Convention. They are having one of their first organizational sessions today, and, therefore, it was impossible for him to be here. He has prepared a statement and has asked me to request that his statement be made a part of the record of the hearing.

Senator ANDERSON. Without objection, it will be done. Mr. Coury is also a longtime friend of this project. He has worked very hard for it.

Mr. REYNOLDS. That is right, Mr. Chairman.

(Mr. Coury's statement follows:)

**STATEMENT OF I. J. COURY, CHAIRMAN, NEW MEXICO INTERSTATE STREAM
COMMISSION**

I am I. J. Coury, Chairman of the New Mexico Interstate Stream Commission, with membership on the Commission since 1943; Treasurer of the Upper Colorado River Commission; President of the Colorado River Water Users Association; Treasurer of the National Reclamation Association; and a resident for the past thirty years of Farmington, New Mexico. We appreciate greatly the opportunity to appear before this Committee today in support of Senate Bill No. 203 and to urge that serious consideration be given by this Committee for recommendation of its early passage.

I have been associated with the development of the Navajo Indian Irrigation Project from the beginning and am well aware of the developments leading up to the need for this legislation under consideration.

The project plan as originally conceived included Indian and non-Indian lands. The Indian lands extended west from the Reservation boundary and included lands west of the Chaco Canyon that were widely dispersed in long, narrow bands along existing dry washes. Between the completion of this plan in 1955 and the preparation of an all-Indian plan in 1957, an effort to eliminate the long narrow bands of lands west of Chaco was made by replacing the lands with more compact and solid blocks in Bennett Peak and Newcombe Areas.

The Bureau of Indian Affairs had made numerous attempts to obtain funds with which these more compact areas could be thoroughly investigated, with no success. Therefore, they were forced to perform sub-reconnaissance type land surveys which proved later that some of the lands were substandard and could not permit sustained irrigation.

After authorization, land classification criteria was jointly established by the Bureau of Indian Affairs and the Bureau of Reclamation and additional lands west of the Chaco were found unsuitable for irrigation. This resulted in returning to the long narrow bands of lands along the dry washes which appeared to cost excessively to develop. After this was discovered, lands east of the Reservation boundary and south of the authorized townships were investigated and large compact areas were found that would provide adequate acreage to provide the 110,630 acres that we had originally supported; however, authorization to pur-

chase and withdraw lands within an additional eight-township area is required as provided for in Senate Bill No. 203.

We feel it is equitable to the ranchers to be reimbursed for their leasehold interest in lands with the project boundary as proposed by Senate Bill No. 203. The provision for compensation of persons whose grazing permits, licenses, or leases are cancelled has a precedent in the Glen Canyon Land Exchange, Navajo Tribe (Act of September 2, 1958, 72 Stat. 1686, Public Law 85-868), where such compensation was paid for land authorized on the Glen Canyon Unit, Colorado River Storage Project. Under Section 3(a) of Public Law 87-43, the authorizing Act, the Navajo Tribe shall pay the United States full appraisal value of the public lands withdrawn for project use. Under Senate Bill No. 203, a part of this payment will be given to the existing leaseholders for their leasehold value of the lands. This appears to be an equitable provision and we would recommend its approval.

We support the increase of the project ceiling from \$135 million to \$175 million, which assures the Navajos that a 110,630-acre project can be constructed as visualized in the original authorization. It is my opinion that a large part of the requested increase is due to the lack of sufficient funding for the construction program as testified to before the Congress at the time of the authorization.

Mr. Chairman, on behalf of the New Mexico Interstate Stream Commission, thank you for granting this opportunity to express our support of Senate Bill No. 203 through this statement.

Mr. REYNOLDS. The 1868 treaty between the United States of America and the Navajo Tribe of Indians provides that any Navajo being the head of a family and desiring to commence farming shall have the privilege to select 160 acres in the Navajo Reservation to be held in the exclusive possession of the person selecting it and of his family so long as he or they may continue to cultivate it. The treaty also provides that any person over 18 years of age not being the head of a family may in a like manner select and hold 80 acres within the reservation for purposes of cultivation. The treaty further provides that the Navajo head of family is entitled to receive seeds and agricultural implements to help him get started in his farm enterprise. Even a casual examination of precipitation records shows that the irrigation is essential if these treaty provisions are to be given effect of much significance.

Of the 16 million acres on the Navajo Reservation, about 21,000 acres can be hazardously dry farmed; about 37,000 acres are irrigated as water supply permits. Much of this irrigated land does not have an assured water supply and must depend on sporadic runoff from summer showers.

In the negotiation of the Upper Colorado River Basin compact of 1948, the New Mexico representatives contended for a share of the upper basin waters adequate to serve a major irrigation project for the Navajo Indians along with other potential uses in New Mexico. New Mexico was awarded 11.25 percent of the consumptive use of water apportioned to the upper basin by the Colorado River compact of 1922, and the 1948 compact provided that the consumptive use of Colorado River system water in New Mexico by the Indians is to be charged against the New Mexico allocation.

New Mexico's upper basin allocation is currently estimated at 770,000 acre-feet of consumptive use annually. The estimated diversion requirement for the authorized 110,630-acre Navajo irrigation project is 508,000 acre-feet annually. The consumptive use estimated to result from this diversion is 254,000 acre-feet annually, or about one-third of the New Mexico allocation.

Hydrologic studies show that the New Mexico allocation is sufficient for all existing uses from the San Juan River system in New Mexico and for the commitments made to the Navajo project and the authorized San Juan-Chama and Animas-La Plata reclamation projects, with a residual of 100,000 acre feet for potential municipal and industrial or other uses. New Mexico fully supports the use of a portion of its upper basin allocation for the 100,630-acre Navajo Indian irrigation project and has assigned to the Secretary of the Interior in accordance with New Mexico statutes the water rights needed for the project.

The Colorado River Storage Project Act of 1956—Public Law 84-485—provided that in the event the Navajo Indian irrigation project is authorized the project costs allocated to irrigation and beyond the capability of the lands to repay shall be nonreimbursable in recognition of the fact that assistance to the Navajo Indians is the responsibility of the entire Nation.

In 1958, the Governor of the State of New Mexico told this subcommittee:

The plight of the Navajo Indians and their pressing need for relief from the severe and chronic distress need not be belabored before this subcommittee * * * The Navajos are a proud people, independent, intelligent and industrious. Lack of opportunity alone has kept them from becoming self-sufficient. The Navajo project is the vehicle upon which they pin much of their economic hopes.

This statement is still valid and it is of great importance that the Nation's responsibility acknowledged in the 1956 act be met fully at the earliest possible time. The Navajo population is growing 1.6 times faster than the national population and 3,000 young Navajos are entering the labor market each year. The population of the Navajo Tribe is now 118,900. Of the total labor force of 31,300 persons, only 8,000 are fully employed; 7,300 are underemployed and 16,000 or 51 percent are unemployed. The 1968 per capita income for the Navajo people is estimated at \$300 as compared to the national per capita income of \$3,412.

Economic studies show that full development of the Navajo irrigation project could create 6,626 employment opportunities for Navajo people—almost as many as are now fully employed.

The State of New Mexico vigorously supported the authorization of the Navajo Indian irrigation project and is most grateful to this distinguished subcommittee and the Congress for the authorization given in 1962. The State still supports full development of the project and sees this development as the best possible use of water for the benefit of its Navajo citizens. This view is supported by the "Reevaluation Report, Navajo Indian Irrigation Project, New Mexico," dated July 1966. This report was prepared by a field task force appointed by the Secretary of the Interior. The task force considered and reported on the complete range of reasonably foreseeable potential water uses in the San Juan River Basin in New Mexico.

This report shows that the project currently has a benefit-cost ratio of 1.5. This evaluation did not taken into account education cost reduction benefits. Testifying on the authorization of the project before this subcommittee in July of 1958, this Mr. Keecee reported these education cost reduction benefits as being \$975,600. These benefits were not taken into account in the Bureau's reevaluation report, and if they are taken into account, the benefit-cost ratio is 1.6.

Senator ANDERSON. So it is still a good project?

Mr. REYNOLDS. Yes, sir; I think it is. And, Senator, this reevaluation report, I suggest, contains information that likely would be useful to the subcommittee, and I request that it be made a part of the files of the committee on S. 203. I have a copy in front of me which I can furnish you.

Senator ANDERSON. Without objection, that will be done.

Mr. REYNOLDS. The enactment of S. 203 is essential to the full development of the 110,630-acre project authorized in 1962. In the course of preconstruction planning, the Bureau of Reclamation found that about 15,000 acres of the land to be irrigated west of Chaco Canyon—which is near the western limit of the project area—are not suitable for sustained irrigation. Preconstruction planning also reveals that the project could be constructed at a lower cost by foregoing the irrigation of all lands west of Chaco Canyon in favor of lands to the east of the originally contemplated project area. This rearrangement would obviate a costly 19-mile siphon crossing Chaco Canyon. It would cost \$197.6 million to develop a 110,630-acre project on lands east and west of Chaco Canyon while the project substituting lands east of the originally contemplated project area for lands west of the Chaco Canyon could be developed for \$175 million.

Thus development of the most economic project of 110,630 acres requires both the raising of the authorized ceiling to \$175 million at January 1966 prices and the authorization to acquire lands for the project in eight townships to the east of the originally contemplated project area. Accordingly, the State of New Mexico urges your favorable consideration of S. 203.

Senator, you will notice that my statement is silent on the question of compensating for leasehold interests. And I am authorized to say that the State of New Mexico would be satisfied with any arrangement in this respect that the subcommittee finds equitable. Mr. Coury's statement recommends the adoption of provisions in the bill as introduced. I have consulted with him. He also would be quite satisfied with this subcommittee's judgment as to the most equitable arrangement with respect to leasehold interests.

Senator ANDERSON. The provision was put into the bill, the second provision at least, so we could find out how must there really was in that situation. We are very glad to have your testimony about it.

Mr. REYNOLDS. Senator, I cannot close without pointing out that the Navajo project is in large measure your creation. To support this I need only point to the crucial part you played in the passage of the Colorado River Storage Act in 1956 and the act authorizing the project in 1962, but I also recall that you made several very helpful suggestions for the engineering design of the project, and these suggestions have greatly improved it. And we are most appreciative of your continued interest demonstrated by the introduction of this legislation.

In conclusion, I want to express, on behalf of the State of New Mexico, appreciation of the opportunity to appear before this distinguished subcommittee to express the views of the State on S. 203.

Thank you, sir.

Senator ANDERSON. As an engineer you have had to make a study of this land; have you not?

Mr. REYNOLDS. Yes, sir. My office is not deeply involved in that but we have followed it.

Senator ANDERSON. And certain areas of the project were originally spread over quite an area?

Mr. REYNOLDS. That is right.

Senator ANDERSON. The new lands are much more compact and therefore, provide a better project?

Mr. REYNOLDS. Yes, sir.

Senator ANDERSON. And you support that strongly; do you not?

Mr. REYNOLDS. I do, sir.

Senator ANDERSON. So does the whole State; is that right?

Mr. REYNOLDS. That is right, sir.

Senator ANDERSON. Senator Jordan.

Senator JORDAN. No, I have no questions. It is a good statement. And I am pleased to hear the witness give a little credit to the chairman. Too often I think these things are unsaid and I appreciate hearing them myself.

Senator ANDERSON. Thank you, Mr. Reynolds, very much.

Mr. REYNOLDS. Thank you again, Mr. Chairman.

Senator ANDERSON. Mr. Brewer.

STATEMENT OF W. D. BREWER, FEDERAL COCHAIRMAN, FOUR CORNERS REGIONAL COMMISSION

Mr. BREWER. Mr. Chairman, members of the committee, I am W. D. Brewer, Federal Cochairman of the Four Corners Regional Commission. I am most pleased to be here today to testify in favor of S. 203, a bill to increase the authorization for the appropriation of the Navajo Irrigation project from \$135 million to \$175 million. I would, however, emphasize that this testimony reflects my personal opinion.

As most of you know, the Four Corners Regional Commission is a State-Federal partnership designed to promote economic development in our region. The Four Corners Regional Commission covers 92 counties in Arizona, Colorado, New Mexico, and Utah, an area of 288,000 square miles. The geographic center of the region is at the point where these four States share a common corner. It is in this area that our greatest needs appear. It has been estimated that there are approximately 160,000 Indians in the four corners region. The largest tribe, the Navajos, account for about three-fourths of this number, of about 121,000 people.

The average per capita income of the Navajos in 1967 was less than \$675 per year, compared to \$3,417 average per capita income for the United States. One of the major reasons for this low income is lack of job opportunities.

I have just returned from a trip to the Navajo Reservation which I made to acquaint some industrialists with the possibility of developing more industry on the reservation. I am impressed with the changes and progress being made by the Navajos in developing their resources.

The Navajos, with the assistance of various Federal and State agencies and private enterprise have created over 2,000 jobs since 1966. This figures out to about 4-percent increase per year. Considering the severe handicaps of isolation, lack of facilities, and the amenities which help in attracting industry to a community, this is commendable progress. But it has not been enough. According to available labor statistics there is an appalling 34-percent unemployment rate among

the Navajos compared to a national rate of 3.8 percent. I am told the actual number of people unemployed is over 50 percent, but labor statistics do not include welfare recipients, the temporarily disabled, and those who have given up looking for jobs and no longer report to unemployment offices. On top of this, included in the employed ranks of 17,900, there are 7,500 Navajos employed on a part-time basis only; or underemployed.

Mr. Chairman, one of the most distressing things I have discovered is that we are not creating jobs fast enough to keep up with the additions to the labor force. As a case in point, 1,600 Navajo students graduated from high school this year.

In a sparsely settled area such as our region, it is difficult to ignite the spark that leads to job creation. Occasionally a project such as the Navajo irrigation project is created with the potential to provide that spark and I commend most heartily those who had the foresight to conceive such a forward-looking project. This project will create 3,350 jobs directly. That in itself is important, but, in addition, 5,700 more jobs will be created in supporting industries to service and supply the project operators.

Senator ANDERSON. Can I just stop you there for a minute?

Mr. BREWER. Pardon?

Senator ANDERSON. You have been visiting the area in question?

Mr. BREWER. Yes, sir.

Senator ANDERSON. You know it well over the years. Do you still think this is a good project?

Mr. BREWER. I certainly do. I certainly do, sir. I was down there last week. I spent the whole week in the area, and I was tremendously impressed with the emergence of these people, and I think they need this project tremendously to carry out some of the things that they want to do.

Senator ANDERSON. I am very glad to have that statement in the record. Thank you very much for that statement.

Mr. BREWER. Thank you, sir. This is certainly not a fly-by-night dream. The project has been studied and considered since 1899. The perseverance of you, Senator, and many of those people who believed in this cause may now be rewarded. Much work, patience, and endurance was required to get the bill passed and signed into law in 1962. The Navajo Reservoir now contains over 1,100,000 acre-feet of water. It is an excellent place for boating, fishing, and other water-oriented sports, but it is not serving the major productive purpose for which it was designed—the storing, conservation, and delivery of water to Indian lands for irrigation. The taxpayers have already invested about \$28 million in the construction part of the facilities. In addition, the Navajo Dam and Reservoir was completed in 1963 at a cost of \$46.6 million. So almost \$75 million has been spent on project features, but utilization of the water has not been accomplished. Most of the preconstruction work has been done in preparation for contracting on five features of the main canal system, estimated to cost approximately \$36 million. Work under these contracts represents key construction that must be accomplished quickly.

The development of the natural resources of the Navajo Reservation is an integral and vital part of the Nation's program to reduce poverty among our Indian people of the Southwest.

The Navajo irrigation project will assist the goals of the Four Corners Regional Commission—especially in the creation of new jobs; jobs of an ongoing nature, that will bring Indian families above the poverty level.

Mr. Chairman, in testimony which I presented early this year before committees in both Houses of Congress, I stated that the American Indians have not benefited in the affluence of our society. I pinpointed our problems in the region to one primary factor—and that is a great deficit of jobs as compared to other parts of the country. Completion of this one project will have a real impact in narrowing the job gap that now exists.

Estimates of the results of this project show the creation of 3,350 new employment opportunities on the farms; with an additional 1,000 persons employed in food processing and handling. Add to this some 4,700 persons in trades and service and we have 9,050 jobs created both on and off the farms that will result from the Navajo irrigation project.

If we carry this calculation one step further and relate the jobs to families, we find that these 9,050 jobs will support an estimated 45,150 persons.

Producing jobs is one thing, but keeping people employed regularly is the desired goal. This project not only employs people in its development but will continue to have good effect on the economy of the San Juan Basin down through the future.

From the estimated 9,050 new jobs, the increase in the economy will be great. The value of farm crops should expand fourfold—from a present level of some \$7 million to nearly \$30 million. Added to this will be a gross value of goods and services of more than \$50 million annually. Processing will add \$25 million more adding up to a calculated total of \$108,045,000 with full development.

Referring back to our earlier statements on the poverty levels of the Indians, we find that the 3,350 farm jobs will provide an annual income of \$5,900; the 1,000 food processing jobs approximately \$4,000 yearly and the trades and services yearly incomes of about \$3,750. These jobs will seek to break the poverty cycle of the residents and provide dignity to families now destitute and dependent.

An estimated 8,750 man-years of labor will be required to construct this facility. Some 2,265 man-years—30 percent of the total—are considered to accrue to the Navajo Indians. Earnings of these Indians during this construction period should amount to over \$18 million. Another \$14 million in earnings are estimated as a result of employment in the development of farmlands, roads, schools, and other public facilities.

As this project comes to fruition private investment will be attracted to the area in ever-increasing amounts. Business expansion is contagious. The on-farm investment for land, buildings, and equipment is estimated at some \$66,700,000. Private investment in the handling, processing, trades, and services will add another \$24.5 million. The non-Federal investment in schools, roads, and other public service facilities will amount to more than \$21 million—bringing a total private investment to \$112.5 million.

More significant than these dollar estimates is the fact that the attraction of private investment capital into this area will also aid

the State of New Mexico by broadening the tax base. Based on estimated increase in private investment, revenues to the State of New Mexico should increase by \$170,000 each year.

I know from conversation with tribal representatives, Federal and State officials, and local people in the area that this project is high on their priority list. It is high on ours too—not just because it has widespread support, but because our preliminary investigations show this as one of the most important developments that can take place in the Four Corners region.

Thank you, Mr. Chairman.

Senator ANDERSON. Thank you, Mr. Brewer, for a very good statement. You have visited this area many times, have you not?

Mr. BREWER. Yes, sir; over many years.

Senator ANDERSON. You are familiar with it.

Mr. BREWER. Yes, sir.

Senator ANDERSON. And it has fine possibilities?

Mr. BREWER. I guess it is one of the great undeveloped areas in our country with a tremendous potential. I have been there. I am very impressed. I was so impressed at Shiprock with the Fairchild plant there that has been brought to fruition employing 1,200 Indian people now with a projection of 1,500 when the new building is dedicated next month and probably 2,000 people by the end of next year. We find these people are tremendously adept at the assembling of electronic components, very minute particles. I noticed women that were working through microscopes welding wires 1 millionth of an inch in diameter to little microdots the size of the point of a pencil, and they are very adept, they have great skills, and the manager of the plant said these people are unspoiled. They are fine workers. We have never had better people working for us.

Senator ANDERSON. Very good.

Senator Jordan.

Senator JORDAN. Very good. No questions, Mr. Chairman.

Senator ANDERSON. We appreciate very much your testimony.

Mr. BREWER. Thank you, Mr. Chairman.

Senator ANDERSON. Mr. Bowman.

STATEMENT OF NORMAN L. BOWMAN, DIRECTOR OF RESOURCES DIVISION, THE NAVAJO TRIBE

Mr. BOWMAN. Mr. Chairman, members of the committee, it gives me a great deal of pleasure to be given this opportunity to testify on the Navajo Indian irrigation project in behalf of 120,000 Navajo people. The Navajo Tribe wholeheartedly endorses S. 203.

This bill provides additional authorization to allow the orderly continuing development of the Navajo Indian irrigation project. It provides for the inclusion of sufficient land areas so that the project goal of 110,630 irrigated acres may be obtained. It updates the construction authorization from the basis of June 1969 prices to that of January 1966. And it provides that funds expended by the Navajo Tribe for the value of Federal lands may be used to compensate persons holding grazing permits, licenses, or leases of lands which become a part of the Navajo Indian irrigation project.

The development of the Navajo Indian irrigation project has progressed as rapidly as the availability of funds has permitted. The Navajo Dam, water source for the project, contains some 10 feet in depth than ever before. Some 13 miles of the conveyance system from the dam toward the project land is essentially complete.

Planning of project land development has resulted in the determination of the individual fields including the size and location of water delivery outlets on approximately 21,000 acres. The Bureau of Reclamation, utilizing these layouts, is now designing the lateral systems on some 11,000 acres. The roads network throughout the first development unit has been planned and the size and location determined.

The San Juan Branch Experiment Station, located on Navajo Indian irrigation project lands, is in its second operational year determining types of crops, varieties, yields and methods of operations.

The Navajo Tribe continues to operate an agricultural unit near Shiprock, N. Mex. Here methods of operation are being determined and various plans put into practice prior to the actuality of the Navajo Indian irrigation project.

The Navajo Tribe is in the process of purchasing a private ranch, part of which will be located within the project.

We believe that the passage of S. 203 will facilitate future project progress.

Mr. Chairman, in conclusion, I would like to say that the Navajo Tribe is appreciative of the efforts that you have extended towards the realization of this Navajo Indian irrigation project.

Senator ANDERSON. Thank you very much. Do you have another witness from the Tribe?

STATEMENT OF CARL L. TODACHEENE, MEMBER, NAVAJO TRIBAL COUNCIL; MEMBER, ADVISORY COMMITTEE, NAVAJO TRIBAL COUNCIL, SHIPROCK, N. MEX.

Mr. TODACHEENE. Mr. Chairman, I think it is a great honor for the representatives of the Navajo Tribe to appear at this hearing before this great and honorable committee of a great Nation, and it is with pride that we get into the record of this committee two resolutions of the Navajo Tribal Council, if the Chair would so desire.

Senator ANDERSON. We would be glad to include them in the record.

Mr. TODACHEENE. Thank you.

Resolution of the Navajo Tribal Council, CJA-5-67, recommending legislation by the Congress of the United States to fully implement the Navajo irrigation project:

Whereas: 1. The Navajo Tribal Council, by resolution dated December 12, 1957 (CD-86-57), supported by the passage of the act of June 13, 1962 (76 Stat. 96) which provided that the Navajo Irrigation Project would divert an annual average of 508,000 acre feet of water to irrigate approximately 110,630 acres of land on the Navajo Reservation and lying outside the Reservation to be acquired by the Secretary of the Interior and to be held in trust for the benefit of the Navajo Tribe, and,

2. The Navajo Tribe consented to compromise its rights under the Winters Doctrine by agreeing to share shortages of the consideration for the development of the Project, the acquisition of additional land to make up the 110,630 irrigable acres and the allocation of 508,000 acre feet per year to the Tribe for irrigation use, and

3. The Navajo Irrigation Project is the most important project on the entire Navajo Reservation. It will create employment for a large portion of the Navajo Tribe and will give them permanent employment in farming and related industries. In comparison to all other programs now in progress on the Navajo Reservation, or being contemplated, the Navajo Irrigation Project holds more promise for the social and economic uplifting of the Navajo people than all of the other projects put together, and

4. Recognizing the importance of the Navajo Irrigation Project, the Navajo Tribal Council on October 5, 1966, passed Resolution CO-106-66 commenting on the Task Force Report in regard to the reevaluation of the Navajo Irrigation Project, and

5. Recent reports have indicated that, due to the lack of appropriations to implement the Navajo Irrigation Project according to the original scheduled plan, the construction of said project is in such a stage that the delivery of water to the land will be three years later than originally anticipated, and

6. The Commissioner of Indian Affairs has requested all Indian tribes to give statements regarding what legislation they feel is important to be presented to the next session of Congress.

Now therefore be it resolved that:

1. The Navajo Tribal Council hereby declares that it considers the Navajo Irrigation Project as the most important one program being developed on the Navajo Reservation and that it considers the appropriating of sufficient money and letting of appropriate contracts to be the most important one item which the Congress can do and authorize for the benefit of the Navajo Tribe.

2. The Navajo Tribal Council again states the condition agreed upon with the United States established in the Council's resolutions of December 12, 1957 (CD-86-57) and October 5, 1966 (CO-106-66) as follows:

(a) The land areas to be irrigated by the Project must not be reduced below the authorized 110,630 acres and the annual diversion from the Navajo Dam for irrigation must not be less than the authorized 508,000 acre-feet, whether the capacity to supply this quantity is provided by an increase in the size of the tunnels and canals or by the Gallegos Reservoir.

(b) The Irrigation Project must be exclusively for Navajo Indian use and there must be transferred into trust status sufficient off-reservation areas necessary to make up 110,630 irrigable acres which will be included as part of the irrigation project.

(c) No use in New Mexico of water of the San Juan River not heretofore authorized will be given priority ahead of the Navajo Irrigation Project.

(d) All of the Irrigation Project facilities must be constructed with sufficient capacity to supply reasonably anticipated industrial and municipal needs (as evidenced by the applications for water allocations already submitted to and approval being withheld by the Secretary of the Interior) without reducing the 508,000 acre feet authorized for irrigation and without requiring such industries and municipalities to construct supplemental storage terminals.

3. The Navajo Tribal Council, on behalf of the Navajo Tribe, hereby requests the Commissioner of Indian Affairs to draft a bill consistent with the terms of this resolution and, after consultation with the Advisory Committee of the Navajo Tribal Council, present such a bill to the 90th Congress, which bill will accomplish the following purposes:

(a) Appropriate sufficient money to complete the Navajo Irrigation Project under its original plan.

(b) Authorize the inclusion in said Project of additional land to make up the total of 110,630 irrigable acres authorized.

(c) Provide for accelerated construction and appropriation of money in order to make up the loss of three years which have been lost to date in the construction schedule.

4. The Navajo Tribal Council here authorizes and directs the Legislative Secretary of the Navajo Tribal Council to forward copies of this resolution to the Commissioner of Indian Affairs the Secretary of the Interior, and to the chairmen and members of the appropriate committees of the United States Congress, and to request of the chairmen of such committees, on behalf of the Navajo Tribe, that the Navajo Tribe be given an opportunity to be heard at any hearings in which such bill is being considered, and to request that a specific invitation to attend such hearing be addressed to the Chairman of the Navajo Tribal Council, the Advisory Committee of the Navajo Tribal Council, the Di-

rector of the Resources Division of the Navajo Tribe, the Head of the Land Investigation Department, and the General Counsel of the Navajo Tribe.

CERTIFICATION

I hereby certify that the foregoing resolutions was duly considered by the Navajo Tribal Council at a duly called meeting at Window Rock, Arizona, at which a quorum was present and that same was passed by a vote of 43 in favor and 0 opposed, this 23rd day of January, 1967. Signed Nelson Damon, Vice Chairman, Navajo Tribal Council.

I would also like to include one more resolution into the record on behalf of the Navajo Tribal Council, Mr. Chairman, and this is CMY-36-67. Resolution of the Navajo Tribal Council requesting an amendment to the act of June 13, 1962, 76 Stat. 96 relating to the Navajo Indian irrigation project:

Whereas: 1. Pursuant to the Navajo Indian Irrigation Project Act, (76 Stat. 96) the Bureau of Reclamation began and is constructing the irrigation canals from the Navajo Dam Reservoir to the Irrigation Project lands, with the funding of funds for this project through the Bureau of Indian Affairs' annual budget, and

2. Because of the many programs for the Indian tribes of the United States, which is handled by the Bureau of Indian Affairs, the funding for the Navajo Indian Irrigation Project under the Bureau of Indian Affairs' programs has been very limited as the funding has to compete with the other programs of the Bureau, and as a result the construction of the said project is at a stage that the delivery of water to the project lands will be three years later than originally scheduled, and

3. In order to make up for the lost time in the construction it would be more appropriate to have funds appropriated through the Bureau of Reclamation projects, and

4. By Resolution No. CMA-14-64, dated March 2, 1964, the Navajo Tribal Council requested of the Congress of the United States to amend the Act of June 13, 1962, to include additional townships outside the Navajo Indian Reservation for the expansion of the project. Since 1964, the Irrigation Project has been reevaluated (1) where more lands will need to be added outside the Reservation for the project; and (2) the authorization be increased by \$40 million to complete the project. In addition, an authority is needed for the Secretary of the Interior to compensate for leasehold interests of the ranchers who will sell their holdings for the irrigation project.

Now therefore be it resolved that: 1. The Navajo Tribal Council hereby requests the Congress of the United States to amend the Act of June 13, 1962 (76 Stat. 96) as follows:

A. That Section 7 of the Act be amended to provide funding for the Navajo Indian Irrigation Project through the Bureau of Reclamation.

B. That Section 7 of the Act be amended to provide for an authority to appropriate to the Bureau of Reclamation an additional amount of \$40 million for the project.

C. That Section 3 of the Act be amended to include the following townships: Townships 26 and 27 North, Range 11 West, New Mexico Principal Meridian.

 Townships 24, 25, and 26 North, Ranges 12 and 13 West, New Mexico Principal Meridian.

2. The Navajo Tribal Council hereby authorizes and directs the Chairman of the Navajo Tribal Council to forward copies of this resolution to the Commissioner of Indian Affairs, the Secretary of the Interior, and to the chairmen and members of the appropriate committees of the United States Congress, and to request of the chairmen of such committees, on behalf of the Navajo Tribe, that the Navajo Tribe be given an opportunity to be heard at any hearings in which such bill is being considered, and to request that a specific invitation to attend such hearing be addressed to the Chairman of the Navajo Tribal Council, the Advisory Committee of the Navajo Tribal Council, the Director of the Resources Division of the Navajo Tribe, the Head of the Land Investigation Department, and the General Counsel of the Navajo Tribe.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Tribal Council at a duly called meeting at Window Rock, Arizona, at which a quorum was present and that same was passed by a vote of 58 in favor and 0 opposed, this 9th day of May, 1967.

(Signed) NELSON DAMON,
Vice Chairman, Navajo Tribal Council.

With this I want to thank the committee for appearing before you.
Senator ANDERSON. When was the resolution dated?

Mr. TODACHEENE. May 9, 1967.

Senator ANDERSON. It has been submitted to members of the committee?

Mr. TODACHEENE. Yes, sir. This was sent to the Secretary of the Interior, the Commissioner of Indian Affairs and copies were supposed to go to appropriate committees of the Congress, sir.

Senator ANDERSON. Is Raymond Nakai here to testify?

Mr. TODACHEENE. No, sir. I think Mr. Bowman testified in his behalf. We also have one more member of the Navajo Tribe here, if the Honorable Chair can let him testify. He is Mr. Ned Hatathli, president of the Navajo community project, on behalf of the Navajo irrigation project, if the Chair so desires.

Senator ANDERSON. Mr. Hatathli would be very happy to testify and we would be happy to hear him. Ned, come on up. What I don't understand Mr. Todacheene, is when did you submit the resolution to the committee? We called for a hearing at your request. And the tribal counsel is not here. Your material has been put in here at length today, but with no chance for the committee to study it, or the staff to study it. What happened?

Mr. TODACHEENE. Mr. Chairman, I am hard of hearing ever since World War II, you know. I got shot and ever since my hearing has been bad. So I did not quite understand. If you are asking about Mr. Nakai, I think he is over at Window Rock, Ariz., handling other business of the Tribe, but he did send the Navajo members, those that you see here.

Senator ANDERSON. We could not tell, with the rapid reading of the resolution, if you were asking for additional land, or to have special water rights. It was read rather rapidly.

I am not worried about you, Ned. I just do not understand the situation. Here is a long resolution passed by the tribal council and part of it says that you were instructed to report it to the standing committees of the House and Senate. To whom did you report it and when?

Mr. TODACHEENE. Well, Mr. Nakai will probably have to answer that for himself, Mr. Chairman.

Senator ANDERSON. You go ahead, Ned. Go ahead with your presentation. Do you have a statement, Mr. Hatathli?

**STATEMENT OF NED A. HATATHLI, PRESIDENT, NAVAJO
COMMUNITY COLLEGE, MANY FARMS, ARIZ.**

Mr. HATATHLI. Yes, sir.

Senator Anderson, I appreciate the opportunity to make a statement before your committee.

Senator ANDERSON. Do you have it in writing?

Mr. HATATHLI. Sir?

Senator ANDERSON. Have you reduced your statement to writing?

Mr. HATATHLI. I have my statement in writing, yes.

Senator ANDERSON. You have only one copy?

Mr. HATATHLI. I just have the one copy.

Senator ANDERSON. Go ahead.

Mr. HATATHLI. As you probably know, I am the newly appointed president of the Navajo Community College at Many Farms, Ariz.

I wish to join in welcoming your committee's efforts, Mr. Chairman, and those of your fellow Senators and Representatives, to move the Navajo Indian irrigation project closer to reality. It has been 7 years since the Congress authorized the project, and scant appropriations and slow progress during these years have dimmed the Navajo people's early hopes. The project still offers, however, the best opportunity that Navajo people have for economic development and a higher standard of living. The Navajo people's needs and the help that the project will provide in meeting these needs will be covered, I have no doubt, in other testimony before your committee. We will continue our work to prepare for the project's successful development.

Our work in Navajo Community College is concerned with development of human resources for the project. It has been noted by many authorities that the human element is critical to the success of economic development programs here at home and abroad. Previous programs to introduce American Indians to irrigated farming have met with only limited success. These programs and similar programs among rural people in other countries have demonstrated, however, that success can be achieved. The means to success have been found in human resource development in combination with capital and technological development. Navajo Community College was established by the Navajo Tribe in recognition of the importance of human resource development.

To bear out the Navajo Tribe's practical support for efforts this committee is making, I wish to outline briefly the means by which the college hopes to contribute to the success of the Navajo Indian irrigation project. I wish to preface my outline of the college role with a quick summary of human development needs confronting successful operation of the project.

Educational and related needs of the Navajo people. Forty thousand or more Navajos live in the irrigation project area and neighboring areas which will be directly benefited by the project. All of the 120,000 Navajos living on the reservation and adjacent lands can benefit directly or indirectly. For optimum benefits to be gained, however, Navajo people must acquire technological skills and economic and social capabilities.

Half of all Navajo families still depend for their livelihood on small herds of sheep and subsistence agriculture, supplemented by unskilled wage work and by social security and public assistance. Navajo families—extended families—make up agricultural communities, which live, graze their sheep, and often raise small garden crops in a territory recognized to be for their use. Families move seasonally to graze their sheep. Wool and mutton and garden crops are for the most part consumed or shared or traded with other families, rather than being sold on the market.

Although Navajo society generally follows traditional patterns, Navajo life is adapting rapidly to the technological world, and to access to new goods and markets to job opportunities. Practically all Navajo children of school age now go to school. Wage work has increased until wages provide the major part of Navajo dollar income. Nevertheless, at the time of the 1960 census, half of all adult Navajos could not speak English. Transportation and roads are still primitive in many areas. Water must be hauled many miles for household needs. Navajo infant mortality is several times higher than the national average. Electricity reaches less than half of Navajo homes, or hogans. All in all, even though we Navajos are on our way, we have a long road to travel. The college role is to speed the Navajos along this road.

An Agriculture Department was established at the inception of Navajo Community College, which opened its classes this past January. A staff of three faculty conducted classes in various agricultural subjects, and made a beginning in agricultural extension contacts. Students in agriculture also took courses in English, mathematics, science, social science, and cultural subjects. The Agricultural faculty includes a Navajo now completing his Ph. D. at the University of Arizona, and a former member of the temporary college location at Many Farms, Ariz.

In the coming school year, it is proposed to establish the major college agricultural center at Shiprock, N. Mex., on Navajo tribal lands adjacent to the Navajo Indian irrigation project and near to sites of potential agribusiness enterprise.

The major functions of the college agricultural school will bear directly on preparation for successful development of the irrigation project. These functions are:

1. To open educational opportunities for students interested in careers in agriculture. Students will be offered programs leading to an associate—A.A.—degree in transfer courses leading to advanced education in universities.
2. To carry on Agricultural Extension Service work to help farmers and stockmen improve farming and stockraising practices.
3. To provide training and education in skills useful in agribusiness and service industries needed in connection with agricultural development.
4. To develop management and economic capability among Navajo farm operators.
5. To carry on community work enabling Navajos to take advantage of opportunities opened by the irrigation project.
6. To develop plans and seek support for demonstration programs appropriate to the agriculture anticipated for the irrigation project, and to agricultural development in the remaining Navajo area.

In conclusion, let me emphasize that the Navajo Indian irrigation project is the best hope that Navajo people have for the economic progress we need so urgently. We, therefore, support your efforts to speed up the pace at which the project is proceeding—a pace that has been painfully slow.

I also wish to urge that the Congress consider adding considerably to human development factors in preparation for the Navajo Indian

irrigation project. The college program outlined above depends upon support by the Navajo people and by our friends in the Congress and throughout America. Yet, the college program can fill only a small part of the total need. Education, health, community development and related endeavors will require involvement of various Government agencies, of Navajo tribal offices, of universities and public schools, of private institutions and of business enterprise. In these endeavors, the Navajo Community College will cooperate with all interested parties to the best of our ability.

Thank you.

Senator ANDERSON. Thank you, Mr. Hatathli. Has there been any recent development by the Navajo Tribe? Have you passed some resolution recently? The resolution we have here is dated 1967.

Mr. BOWMAN. Mr. Chairman, there has been no recent resolution passed except those read this morning.

Senator ANDERSON. Does the introduction of legislation amounting to millions of dollars signify anything? I cannot see what has happened. This hearing here this morning concerns S. 203. This resolution has long since been outdated.

Mr. BOWMAN. There have been no recent resolutions by the tribal council made on S. 203.

Senator ANDERSON. What about land? Did you not want some additional land?

Mr. BOWMAN. Yes; we do, and this is why we—

Senator ANDERSON. Why did you bring the 1967 resolution? Why did you not get a current resolution? I am just trying to find out what happened here. You asked for a hearing. It is hard work scheduling hearings now. We have a logjam almost. And when we ask people to come here you read a resolution which we have had for years. The chairman of your council is not here. What is your official position, Mr. Hatathli?

Mr. HATATHLI. My position?

Senator ANDERSON. Your present situation?

Mr. HATATHLI. I am president of the Navajo Community College.

Senator ANDERSON. Therefore, nobody—

Mr. HATATHLI. As of July 1, this year.

Senator ANDERSON. I was wondering who is testifying for the Navajo Tribal Council.

Mr. HATATHLI. I resigned from the Navajo Tribal Council in 1960.

Senator ANDERSON. I know. I have seen you since that time and I have talked to you.

Mr. HATATHLI. Yes.

Senator ANDERSON. I am glad to have you here today.

Mr. HATATHLI. And then I served as director of the resources division up until 1967. Then I have been involved in the development of the educational program for the irrigation project since then.

Senator ANDERSON. It will be a little hard to consider the bill in the absence of the position of the Navajo Tribal Council itself. The Navajo College is quite a bit different from the Navajo Tribal Council.

Mr. HATATHLI. Yes; I understand that, but my main concern is what the college is trying to do with the educational facilities that we have and the program that we have outlined to make ready the human

resources element toward the development of the Navajo irrigation project.

Senator ANDERSON. What about the Navajo Tribal Council chairman, Mr. Nakai? He is not here?

Mr. HATATHLI. Right.

Senator ANDERSON. He was invited here.

What about Mr. Damon? My office called and he said he did not want to come. You are asking for millions of dollars and for the designation of land but we have not testimony by the executive head of the council.

Mr. HATATHLI. Mr. Chairman, I can understand your concern, but I cannot speak for these people. I simply just do not know. I am here in behalf of the Navajo Community College.

Senator ANDERSON. I understand you are here for the Navajo Community College.

And whom do you represent, Mr. Bowman?

Mr. BOWMAN. Mr. Chairman, I am here as director of the resources to present the chairman's statement. The chairman this week is meeting with his advisory committee, and Mr. Damon is also engaged in these committee hearings.

Senator ANDERSON. Well, thank you very much.

(The following letter was received from Raymond Nakai, chairman, Navajo Tribal Council and is similar to the testimony of Mr. Bowman:)

THE NAVAJO TRIBE,
Window Rock, Ariz., July 10, 1969.

STATEMENT OF THE NAVAJO TRIBE BEFORE THE POWER AND WATER RESOURCES
SUBCOMMITTEE IN SUPPORT OF S. 203

The Navajo Tribe wholeheartedly endorses S. 203.

This bill provides additional authorization to allow the orderly continuing development of the Navajo Indian Irrigation Project.

It provides for the inclusion of sufficient land areas so that the project goal of 110,630 irrigated acres may be obtained.

It updates the construction authorization from a basis of June 1961 prices to that of January 1966.

And it provides that funds expended by the Navajo Tribe for the value of federal lands may be used to compensate persons holding grazing permits, licenses, or leases of lands which become a part of the Navajo Indian Irrigation Project.

The development of the Navajo Indian Irrigation Project has progressed as rapidly as the availability of funds has permitted.

The Navajo Dam, water source for the project, contains some 10 feet more in depth than ever before.

Some 13 miles of the conveyance system from the dam toward the project land is essentially complete.

Planning of project land development has resulted in the determination of individual fields including the size and location of water delivery outlets on approximately 21,000 acres. The Bureau of Reclamation, utilizing these layouts, is now designing the lateral systems on some 11,000 acres.

The roads networks throughout the first development unit has been planned and the size and location determined.

The San Juan Branch Experiment Station, located on Navajo Indian Irrigation Project lands, is in its second operational year determining types of crops, varieties yields and methods of operations.

The Navajo Tribe continues to operate an agricultural unit near Shiprock, New Mexico. Here methods of operation are being determined and various plans put into practice prior to the actuality of the Navajos Indian Irrigation Project.

The Navajo Tribe is in the process of purchasing a private ranch part of which will be located within the project.

We believe that the passage of S. 203 will facilitate further project progress.

RAYMOND NAKAI,
Chairman, Navajo Tribal Council.

Senator ANDERSON. If there are no further witnesses the hearing is adjourned.

(Whereupon, the subcommittee was recessed at 11:40 a.m., Tuesday July 15, 1969, to reconvene subject to call of the Chair.)





