REPORT

of the

State Land Commission of Arizona

to the

GOVERNOR OF THE STATE

June 6. 1912, to December 1, 1914

Authority of the Act of May 20, 1912
(Chap. 1, Title 43, R. S. 1913.)

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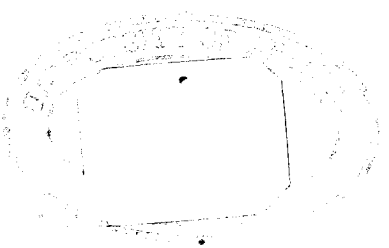

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MULFORD WINSOR, Chairman - - - - Yuma, Arizona
CY BYRNE, Secretary - - - - - - Phoenix, Arizona
WM. A. MOODY, Member - - - - - Thatcher, Arizona

E. J. TRIPPEL, Chief Clerk

LETTER OF TRANSMITTAL

Office of the State Land Commission,

Phoenix, Arizona, December 1, 1914.

Hon. Geo. W. P. Hunt,
Governor of Arizona.

Sir:

The State Land Commission has the honor to submit, in accordance with law, the following report of its labors, for your consideration and for transmittal to the Legislature "with such recommendations relating thereto, having for their purpose the establishment of a permanent policy for handling the public lands of the State," as may seem to you wise and for the best interests of the State.

MULFORD WINSOR,
Chairman.
CY BYRNE,
Secretary.
WM. A. MOODY,
Member.

View of University Land, Coconino County, Showing Trees Marked for Cutting.

Report of the State Land Commission of Arizona

ORGANIZATION AND DUTIES

The State Land Commission, designed to be, temporarily, the Land Department of the State, comprising three members appointed by the Governor, and the Governor, the Attorney-General and the State Engineer as members ex-officio, was created by the Act of the First Legislature approved May 20, 1912 (Chapter 1, Title 43, Revised Statutes 1913), and assumed its duties June 4, 1912.

Its duties, as provided by said Act, were:

(a) To ascertain the character and value of the various bodies of land constituting the public land within the State, and to recommend to the Governor such as might be deemed desirable for selection in satisfaction of the federal grants to the State, under the Act of June 20, 1910 (36 U. S. Stats., 557).

(b) To personally examine, and classify, the school and other lands of the State, with a view to aiding the Legislature in the determination of a State land policy.

(c) To determine the character and value of improvements on school and university lands held under lease prior to Arizona's admission as a State, for the purpose of affording the Legislature the information essential to the formation of a method "for the equitable adjustment of the reciprocal rights of the lessee, residing on any of said land, and of the State."

(d) To grant permits for the continued occupancy of school and university lands held under lease prior to Statehood, with a view to maintaining undisturbed the status of such lands and preventing impairment of the rights or property of the lessees and of the State

until provision might be made for the equitable adjustment of such rights.

These duties were added to, and the powers of the Commission broadened, by subsequent legislation.

The Act approved May 17, 1913 (Paragraph 4567, Chapter 1, Title 43, Revised Statutes 1913), in addition to elaborating upon the law relating to permits for the occupancy of school and university lands held under lease prior to Statehood, empowered the Commission to lease "any State land not heretofore leased, or the administration of which has not been otherwise provided by law."

The Act approved May 17, 1913, (Paragraphs 4570-73, Chapter 1, Title 43, Revised Statutes 1913), conferred upon the Commission the "charge of all lands owned by the State, except such as are under the specific use and control of State institutions;" the power to prosecute actions necessary to protect the interests of the State, and to defend actions brought against the State; to prevent trespass; to grant rights-of-way for railroads, canals, reservoirs, etc., and to relinquish school lands within National Forests settled upon prior to Statehood and prior to survey with a view to public land entry.

The Act approved May 17, 1913 (Chapter 2, Title 43, Revised Statutes 1913), empowered the Commission to adjust the rights of lessees owning improvements on school or university lands "desired for the use of any department of the State government or of a State institution."

The Act approved April 11, 1913 (Chapter 3, Title 43, Revised Statutes 1913), authorized the Commission "to care for, sell, or otherwise administer, the timber and timber products upon the public lands of the State."

The Act of May 16, 1913 (Chapter 4, Title 43, Revised Statutes 1913), authorized the Commission to sell or lease the lands secured under the one million-acre grant, by the Act of June 20, 1910 (36 U. S. Stats., 557), "for the payment of the bonds and accrued interest thereon issued by Maricopa, Pima, Yavapai and Coconino counties."

The Act approved May 17, 1913 (Chapter 8, Title 43, Revised Stat-

utes 1913), imposed upon the Commission "the selection, management and disposal" of desert lands to be reclaimed under the provisions of the Act of Congress approved August 18, 1894, and the Acts amendatory and supplementary thereto, known as the Carey Land Acts.

Subjoined to these duties, of course, was the equally important one of establishing the basic records of the State Land Department, without which the requirements of the law could not be effectively complied with, the land business of the State systematically, accurately and economically handled, or the data desired by the Legislature satisfactorily compiled.

METHODS.

Though the results of the Commission's performance of its various duties and attendant activities will be set forth and discussed separately, under appropriate captions, the logical, systematic and economical method of performing them, in almost every instance, involved the joining of labors. The basic records of the office were so designed and formulated that practically any character of information regarding the lands of the State, whether under the ownership of the State or of others, or merely public lands, reserved or unreserved, may, when the records are finally completed, be derived therefrom; while in the performance of the field work upon which the records relating to the physical characteristics of the lands are based, all of the duties imposed upon the Commission by law, as well as the probable future requirements of the State Land Department, as experience and growth will develop them, were constantly borne in mind. Thus, instead of devoting a trip in the field exclusively to one purpose, such as the appraisement of improvements on school lands under lease prior to Statehood, or the examination of public lands with a view to recommendation for selection, advantage was generally taken of the opportunity to accomplish not only both of these purposes but at the same time many others relating to the classification and administration of the lands and their products and the accumulation of general information respecting the various sections. In addition to the data thus secured many photographs were taken, and form an interesting and valuable part of the records of the Commission.

In the interest of economy, and pending the establishment, in permanent form, of a State Land Department, the books and records of the Commission are more or less temporary and unsubstantial in character, but the information they contain is susceptible of ready translation into permanent records, in the selection of the form of which the experience already gained will be of great value.

INSTITUTIONAL LANDS

The Act of Congress approved June 20, 1910 (36 U. S. Stats., 557), commonly known as the Enabling Act, granted to the State of Arizona, to be selected from the "surveyed, unreserved, unappropriated and non-mineral public lands of the United States within the limits of said State," 2,350,000 acres, for the following purposes:

For university purpcses	200,000 acres
For legislative, executive and judicial public buildings	100,000 "
For penitentiaries	100,000 "
For insane asylums	100.000 "
For school and asylums for the deaf, dumb and the blind	100,000 "
For miners' hospitals for disabled miners	50,000 "
For normal schools	200,000 "
For State charitable, penal and reformatory institutions	100,000 "
For agricultural and mechanical colleges	150,000 "
For school of mines	150,000 "
For military institutes	100,000 "
For the payment of the bonds and accrued interest thereon issued by Maricopa, Pima, Yavapai and Coconino counties	1,000,000 "

The Enabling Act provided that the land should be selected "by a commission composed of the Governor, Surveyor-General or other officer exercising the functions of a Surveyor-General, and the Attorney-General of the said State." For the purpose of complying with this requirement of the Enabling Act, the chairman of the State Land Commission was, by a provision of Chapter 79 of the Session Laws of 1912 (Paragraph 4569, Chapter 1, Title 43, Revised Statutes 1913), clothed with the powers of Surveyor-General. Ostensibly, therefore, the selections of lands granted by the Act of June 20, 1910, are being made by the Governor, the chairman of the State Land Commission and the Attorney-General of the State, whose signatures appear on all selection lists, and all relinquishments and protests connected therewith. In reality, as was comprehended by the Act of the First Legislature creating the Com-

mission (Paragraphs 4566-4569, Chapter 1, Title 43, Revised Statutes 1913), and as is absolutely essential to the carrying forward of the complicated details of the work, all of the requirements, from original examination of the land to carrying the lists of selections forward to patent, are being performed by the Commission.

Every section of the State, regardless of remoteness or inaccessibility, and whether surveyed or unsurveyed, has been visited, and in some necessary cases, several times, and it may be said that the entire State has been examined with more or less thoroughness, the degree of care exercised being determined in each case—with the limitations imposed by time always in mind—by the needs of the occasion. Where a superficial examination of a district disclosed its undesirability as a whole no time was wasted, and only such examination was made of unsurveyed districts as was necessary to determine the advisability or otherwise of their withdrawal for survey, but in the case of surveyed districts containing lands desirable for selection the maximum of care, without entering into the closely detailed examination for purposes of classification which should ultimately be made, was exercised.

RESULTS ACHIEVED.

As a result of the Commission's efforts, formal selection has been made of 636,661.16 acres, and approvals, or patents, have been received for 289,358.12 acres. Tables, showing the counties in which the selections fall, and the grants to which they were applied, are shown on pages 29-36 (See Tables I and II).

In addition, the Commission's applications for withdrawals for survey and selection, which when approved give the State a preference right to the land, amount to 3,993,235 acres. Of this amount, applications for 3,694,235 acres have been approved, so that there has in reality been set aside for the purposes of the State 4,330,896.16 acres, while applications for 299,000 acres more are pending, or a total of 4,629,896.16 acres for which the Commission has initiated the State's right.

A table showing the counties in which are located the lands withdrawn for survey and selection is shown on page 37 (Table III), as also is a recapitulation, by counties, of the lands selected and those withdrawn for selection (Table IV).

PROCESS OF SECURING TITLE.

That the securing of title to the institutional lands granted to the State involves a vast amount of detail, the utmost of attention to each of many thousands of items, and the closest observance of a departmental routine which not infrequently becomes exceedingly tedious, appears to be but imperfectly known to many people, if occasional comments in State publications on the slowness with which patents are being secured may be regarded as an evidence of the general public's lack of knowledge. A brief recital of the prescribed land office procedure may prove somewhat informative, and possibly will lead to a better understanding of the course which must invariably be followed before the State may have the authority or right to contract away the title, by sale or lease, of any part of its institutional lands.

Following the filing of selection lists containing not to exceed 6400 acres each, the various tracts included therein being described by legal subdivisions, and the notation of the same on the records of the local land office, the lists are forwarded, in the event that no conflicts appear, to the General Land Office in Washington, where they go through a course of checking and examination by various office divisions. Without taking into account the actual inspection of and report upon the land which must be made by the Field Division of the General Land Office, this process at the best requires from eight months to a year before the approval of the Commissioner of the General Land Office may be had. Approval is expedited, of course, in the case of lists that are "clear"—that is, where, after thorough investigation, it is found that all of the requirements of the law and of the General Land Office regulations have been complied with, and there is no bar to the State's selection of any of the tracts described in a list, and no contests or protests requiring adjudication appear to affect any portion of the list.

In the meantime the State is required, within a certain specified time, to publish, in the counties where they are situate, notices of the lands selected, and provide the General Land Office with affidavits of such publication, which notices are subjected to the utmost scrutiny. If it should develop, as not infrequently happens despite the great care exercised, that the most minute and apparently insignificant error has crept into a notice, affecting the smallest legal

subdivision, the list is held up pending a republication. If an error has occurred in the affidavit the list is suspended pending correction. If a protest or contest, based upon legal grounds, appears from any source, against the State's selection of any tract contained in a list, final action upon the list must await the adjustment thereof. In all such cases of merit, when brought directly to the attention of the Commission, the tracts affected are relinquished, thereby obviating delay in the General Land Office, but frequently the Commission receives no notice of contests or protests until long afterward, as is also often true when other and comparatively minor causes are acting as a bar to prompt approval. The causes which may operate to delay or suspend the approval of a list are so numerous, and many of them apparently so trifling, that an attempt to describe them all would be impractical if not impossible. It is hoped that the outline given will be sufficient to afford an idea of the tedious process—necessary to the careful, systematic transaction of the very extensive land business of the federal government—which State selections must undergo prior to title vesting in the State.

QUESTION OF A WASHINGTON REPRESENTATIVE.

In some cases this work could be advanced by the employment of a Washington attorney, who would at frequent intervals ascertain the status of the State's selection lists, learn the causes preventing their prompt approval and proceed with an intimate knowledge of the facts to remove such causes, or to advise the Commission of the requirements. The practical utility of having representation in Washington was shown to the Commission by a visit of its chairman, on a number of important matters connected with the Commission's duties, in June, 1913. This visit, though of short duration, resulted in the expediting of the approval of a number of lists, and afforded an insight into General Land Office procedure clearly demonstrative of the practicality of having a representative there continuously or frequently. That the plan has heretofore proved of value, also, is shown by the fact that practically all of the public land States have, as a part of the process of securing title to the lands granted them, engaged Washington legal representation.

This subject was carefully considered by the Commission, in its desire to do that which would most certainly promote the best interests of the State, and the conclusion arrived at, that practical as the procedure undoubtedly would be, the beneficial results to be obtained would not be commensurate with the expense it would involve, and the Commission has therefore, with such assistance as the State's legal department and Arizona's representatives in Congress might render, endeavored to fulfill all requirements of the situation.

LAND OFFICE FEES FOR SELECTIONS.

The State may be congratulated upon the satisfactory determination of the Commission's contention with respect to the fees to be paid to the Register and Receiver of the local land office for filing State selections, resulting in a saving of approximately $15,000 in the item of institutional lands and probably as much more in the item of indemnity school lands.

With the first selection list filed in 1912, one dollar for each 160-acre tract was submitted as the correct filing fee. The Commission's view was disputed by the Register and Receiver, who held that the fee should be one dollar each for the Register and Receiver, and the list, together with all subsequent lists filed prior to a final decision on the point, was suspended. The Register and Receiver held that the fee of a dollar to each of the local officials, for each 160-acre tract, was fixed by a general statute relating to land office fees, which had been observed by all of the public land States, and they interpreted as confirmatory the provision of the Arizona Enabling Act on the subject. In this they were sustained by the Commissioner of the General Land Office. The Commission, through the Attorney-General, contended, however, that the interpretation placed upon the Arizona Enabling Act was erroneous; that the special law applying to Arizona's selection of lands superceded the general law, and that it prescribed the payment of one dollar only, for each 160 acres, to the Register and Receiver. Upon appeal to the Secretary of the Interior the Commission's contention was sustained.

NECESSITY FOR LARGE WITHDRAWALS.

It will be noted—a circumstance which has brought forth criticisms from parties whose personal interests are antagonistic to State selections—that although the total of the institutional grants in satisfaction of which selections are being made is 2,350,000 acres, an amount of land which, when added to the selections already made, is 1,980,896.16 acres in excess of the total requirements, has been withdrawn from settlement. The necessity for this apparently excessive withdrawal may be easily explained.

In making preliminary examinations of unsurveyed districts with a view to applying for withdrawals for survey, it is impossible, except at great and useless expense, to determine the location of township lines with any degree of accuracy, and therefore the location of the mountainous, hilly and otherwise undesirable areas which constitute some proportion of almost every district is indefinite. The natural consequence is that upon survey a portion of the withdrawn area will be found to be undesirable for purposes of State selection, and of course still more so for the purposes of the individual settler. An accurate estimate of the proportion of undesirable land which will be found to be included in the State's withdrawals can hardly be made, but it is not unlikely that it will amount to two-thirds of the whole. If the proportion should prove as great as this, it will be seen that still further withdrawals will be necessary to satisfy the institutional grants.

Apart from the selection of institutional lands, it will also be necessary to select a large amount of indemnity school lands, to reimburse the common school grant for such portions of the place lands granted for that purpose as have been or may hereafter be alienated by settlers prior to the survey of the land or prior to the rights of the State accruing. At the date of this report, of the 1,748,743.09 acres of surveyed school sections in the State, 168,707.62 acres have been so alienated, and this amount, as the public land surveys go forward, will increase.

Still another circumstance worthy of consideration in this connection is that a huge proportion of the federal grant of four sections in each township for the benefit of the common schools falls within United States reservations. Some of these school lands

—as, for instance, those within National Forests—yield important revenues, while others may be of such great value as to justify awaiting the elimination of the reservations in which they fall, and acceptance of the attendant sacrifice of possible revenue in the meantime, in order that title to such highly valuable lands may finally accrue to the State. But whatever might be the result of an exhaustive investigation of this subject—an investigation which by all means should be made—there is no doubt whatever of the great benefits to the State which would be derived from the relinquishment of worthless school lands within certain Indian reservations, to the amount of probably a million and a quarter acres, and the selection elsewhere, under the rights accorded by law, of a like amount of indemnity lands. This subject will be discussed in connection with the question of school lands, to which it logically belongs, and is injected here merely for the purpose of summarizing the State's requirements of lands available for selection, and to show that such requirements are not limited to the institutional grants. If the course above suggested should be carried out, there would be, instead of 2,350,000, approximately three and three-quarters or four million acres to select, thus necessitating the survey of probably twice the amount of land now withdrawn for that purpose.

A MEANS OF PREVENTING WILD-CATTING.

Realizing the situation's needs, and in the hope of expediting selection of the State's lands, the Commission would increase its withdrawals at the present time were it allowed to do so by the Secretary of the Interior; but that official, who, quite excusably, is not entirely familiar with Arizona's peculiar conditions, and possessing the entirely reasonable and public-spirited fear that the withdrawal of government lands in huge bodies might visit an injustice upon prospective settlers and work to the retardation of the State's development, placed a limit upon the withdrawals which might be made by the State.

The fears of the Secretary spring from an altogether commendable motive. They are as groundless, however, as certain objections to State withdrawals—coming from parties whose peculiar and particular business activities desire broad and unrestricted fields for

their most successful operation—are clearly inspired by questionable and wholly selfish interests.

Most of the State's withdrawals, as in the very nature of Arizona's unsurveyed lands they necessarily must be, are of undeveloped, undemonstrated areas—broad valleys and mesas, beautiful to the eye and possessing, in the opinion of the Commission, wonderful potentialities—which by the exercise of wise business judgment on the part of the State may be transformed into scenes of agricultural and industrial activity; but they are surrounded by conditions such as the average settler, or even the individual of considerable means, cannot profitably or successfully confront, and hedged about by difficulties which must be overcome by combined rather than divided effort. The withdrawal of these areas really amounts to a kindness to those susceptible seekers after free government land who constitute the prey of conscienceless wild-catters, rather than a hardship upon them. The fact that the exceedingly reprehensible species of fraud known as land "wild-catting"—to the wide existence of which attention has heretofore been directed by the Commission—has materially lessened in the past year, may be fairly and largely attributed to the restriction, by the withdrawal of the most accessible areas and those most pleasing to the unsophisticated eye, of the wild-catter's tangible stock in trade. By "tangible" stock in trade is meant, of course, the land upon which, for a handsome consideration, the wild-catter locates his victim, as distinguished from that other stock in trade which includes a flexible conscience, an oily tongue, an assuring manner and a sufficient knowledge of the law to keep out of jail. As the Commission has suggested in previous recommendations, the wild-catter should be driven out of Arizona, by visiting his operations with the law's condemnation; but it now seems likely to the Commission that this end could be accomplished in no more effective manner than by the withdrawal from sale and settlement of all those areas, unsusceptible of successful development by the individual home-seeker, which serve merely as a wild-catter's ware and as burial places for the meagre funds, the energy and the priceless faith of families eagerly looking for spots on the earth's surface which they may call their own, and where they may maintain themselves in comfort.

An incomparably greater injustice to prospective settlers, and an infinitely greater retardation to the State's development, than

could possibly be worked by the withdrawal of such lands as are here described, even though such withdrawals were many times their present extent, has been effected by the segregation from the body of public lands, by means of so-called scrip, of some hundreds of thousands of acres lying largely within districts of known agricultural value and along the water courses of the State. This subject will be dealt with in another portion of this report.

LAND SURVEYS A PRESSING NEED.

Except for occasional selections unimportant in extent, the formal selection of lands has been interrupted by the exhaustion of surveyed lands desirable for the State's purposes. The work of surveying the lands withdrawn for the State is, however, being vigorously pushed by the United States Surveyor-General for Arizona, whose constant manifestation of interest and continued co-operation with the Commission are much appreciated. Of the lands embraced within approved applications for withdrawal, about 1,700,000 acres have been surveyed in the field, and await only the approval of the plats by the General Land Office. Such approval will enable the Commission to add extensively to the selections already made.

The Commission gave full consideration to the possibility of expediting the survey of withdrawn lands by advancing to the federal government the necessary funds therefor, as authorized by Paragraph 4574, Chapter 1, Title 43, Revised Statutes 1913. For a number of reasons the step was not taken. It would have entailed an added burden, temporarily at least, upon the taxpayers of the State; and inasmuch as a large and exceptionally efficient force was being maintained in the field by the Arizona apportionment of federal funds for public land surveys; as additional competent civil service engineers would have been difficult for the Surveyor-General to secure, and as exceedingly satisfactory progress was being made, a resort to the expedient of advancing State funds was not deemed necessary.

Doubtless due to the fact that Arizona has in the past been regarded as a desert waste, impossible of reclamation and incapable of development, little of its surface has been surveyed, and when Statehood came, with its attendant grants of land, there was no

opportunity to take quick advantage of the Nation's gift. The choicest areas—so far as adaptability for immediate use is concerned—were surveyed, and of these lands, as rapidly as the necessary examinations could be made and to the extent that it could be done without unreasonable encroachment upon the rights of settlers already on the ground, the Commission selected several hundred thousand acres, the titles to which have been secured or are pending in the General Land Office. Then came an enforced lull in the matter of selections; but simultaneous with the examination of surveyed lands for selection application was made for the surveys which are now being prosecuted.

The difficulties which have been experienced because of the scarcity of surveyed lands may perhaps best be appreciated in the light of the statement that Arizona contains the lowest percentage of surveyed lands of any public land State in the Union, and the largest amount of unsurveyed land. With a total land surface of 72,838,400 acres, 49,594,850 acres, or more than sixty-eight per cent, remained, on June 30, 1914, unsurveyed. This constitutes a handicap which only time and the Surveyor-General can remove, and in justice it must be said that the Surveyor-General is doing his share to the extent that the appropriations allowed him will permit.

There are a great many reasons, an itemization or discussion of which is not necessary at this time, why the rapid survey of the public lands within the borders of the State constitutes one of Arizona's most pressing economic requirements, and a combined effort should be made to secure adequate appropriations and the necessary authorization to that end.

FAIR DEALING WITH SETTLERS.

In the many thousands of tracts which have been filed upon by the Commission, it was inevitable that there should be some conflicts with settlers, generally squatters upon the land prior to its survey who had neglected or failed, for one reason or another, to make their filings within the period provided by law. In other instances squatters have in ignorance either of the law or of the land's withdrawal, gone upon unsurveyed lands withdrawn for survey and selection by the State—perhaps within a few days after its with-

drawal and prior to the publication of notice to that effect—established themselves and invested considerable sums of money in permanent improvements.

In all such cases the policy of the Commission has been one of liberality and square-dealing, and wherever either the legal or equitable rights were found, after thorough investigation, to be with the settler, the Commission has relinquished the State's filing, or in the case of unsurveyed lands, given assurance that the holdings of the squatter would be recognized.

The delicacy of this phase of the question of land selections will be readily recognized. While desiring to invariably manifest that spirit of absolute fairness with its citizens or its prospective citizens which a State should always observe, it is necessary to closely differentiate between cases deserving such treatment and those in which no equities lie with the complainant. If a policy too liberal in its application were to be adopted, it would be a very short time before lack of respect for the State's rights would prevail and its lands would be widely occupied by squatters relying upon the State's "liberal policy" to prevent their removal. The result would be constant conflicts, litigation, confusion, dissatisfaction, loss on the part both of the squatters and the State, and to a great extent the defeat of the purposes for which the grants were designed. It has been deemed wise, therefore, to give to each case of conflicting claims the most thorough investigation and careful, judicial consideration, to the end that while justice is being done and the full duty of the State to the individual being observed, the State's interests may not be adversely affected by the establishment of dangerous precedents.

CLASSIFICATION OF INSTITUTIONAL LANDS.

The Commission's earliest reflection, in conformity with the view held and acted upon by the Legislature, led to the belief that there could be no intelligent, comprehensive, scientific consideration of a policy for the handling of the State's lands without a knowledge of what those lands were, and that a right determination of a question so vitally great as the State land question is could not be arrived at in the absence of authentic information. The soundness

of this view has been impressed upon the Commission by its experience and study since the inauguration of its labors in 1912, and is confirmed by the evil results which have fallen upon those public land States which in the past have acted, without reflection, upon the worn-out view that "land is land," and proceeded to apply personal theories, based upon nothing—unless it were, perchance, the whisperings of private interests—to a question calling for the deepest study and an intimate knowledge of all the facts.

This conviction, no less than the law's direction, inspired the Commission's interest in the work of classifying the lands thus far selected in satisfaction of the institutional grants, the results of which are shown on pages 27 and 28.

This classification should by no means be considered as a final or completed work. It is not the sort of classification essential to the scientific administration of the lands it comprises, but was designed to afford the information upon which a wise and adequate policy of administration might be based. It is not the result of a minute, detailed, scientifically accurate investigation such as should and will probably have to precede the development or the sane, sensible disposition of the lands, nor of expensive and tedious special examinations as to exact water depths and supply, but is the result of careful personal inspection, the well-weighed consideration of all essential facts and the exercise of the Commission's best judgment as to present utility and future possibilities. In the consideration of important points of doubt, experts connected with the State Agricultural College were frequently consulted, and in some instances valuable assistance in the selection of lands was rendered by officials of that department.

The broad principle adopted by the Commission to guide it in the selection of lands was that they should have either a present or a prospective agricultural value. This policy was based upon two grounds deemed to be of the utmost importance to the State—first, that the lands susceptible of cultivation, or of reclamation by any method, will ultimately be the most valuable; second, that the reservation to the State of the title and control of lands at present fit only for grazing, but possessing the elements of a much higher degree of economic usefulness, spells the highest type of true conservation

and the insurance of steady and sane development—if not rapid development, the most rapid that can by any means be assured. In short, it spells prevention of the permanent acquisition or control by grazing interests of great bodies of land capable, under a wise State policy, of providing homes for people, or by the class of speculators who, having no anxiety for the public's welfare, are content to permit their cheaply-purchased holdings to lie idle until the unearned increments thereof may be collected by their children or their children's children, the while a rapidly growing population and the withholding of large tracts susceptible of development constantly increase the demand and the need for cultivable land.

Guided by this policy, even so-called desert lands, of limited value in their present state, but possessing the potentialities of higher development and economic usefulness, have been preferred to the best grazing lands having no such possibilities. Always the best lands procurable, of the types comprehended by the Commission's policy, have been selected. That the total acreage secured to date is not entirely made up of lands susceptible of immediate utilization is due to the necessity of taking what there is, but even if there were a sufficiency of such lands, which, though adapted for immediate utilization could never be ranked high in character or quality, it might still well be wondered if the State's greatest opportunity would not lie in securing control of the lands capable, under a system of development, of maximum results.

Reference to the classification set forth on pages 27 and 28 will disclose the great preponderance of lands classified as susceptible of reclamation wholly or partially by pumping—a total of 303,659.75 acres. This is the class which contains at once the greatest possibilities of ultimate development and the maximum of uncertainty as to the exact requirements of reclamation and the period of time which must elapse before improvements in pumping machinery and the increasing demand for agricultural products will render such reclamation feasible and profitable.

This uncertainty lies not in soil or climatic conditions, which are invariably favorable, but entirely in the depth to and the supply and quality of water. Accurate data on this score could not, in many cases, be obtained by the means at the Commission's disposal, though generally selections were based upon reliable information of

a practical character—to the extent, at least, of justifying the expectation of ultimate reclamation. The lands susceptible of reclamation by pumping should, for a more thorough understanding of the situation, be divided into those which might be successfully reclaimed at the present time and those the development of which, by reason of various conditions, will have to wait for different and indefinite periods. Though morally confident as to certain areas which might be classified as susceptible of immediate reclamation, the Commission does not feel justified, in the absence of express authority to conduct examinations of the required thoroughness, and in view of the fact that at best many tracts would be omitted which should properly be so classified, in attempting such a segregation. It is deemed sufficient that the Commission is able to assert, with confidence, that there are considerable bodies of land included in the State selections susceptible at the present time of successful and profitable reclamation by the pumping method. They comprise a class, indefinite in extent, which may well be given prompt consideration in the working out of a State policy of land administration and development.

The class of land, comprising 160,428.89 acres of the amount thus far selected, susceptible of reclamation by means of diversion or storage, presents a clear-cut and definite problem, involving the question of State reclamation in the exact, though restricted and uncomprehensive sense in which the term "reclamation" is generally accepted. The discussion of this question will be undertaken in its proper place, the present purpose being merely to supply information regarding the lands held by the State. The lands included within this class are generally semi-arid in character, possessing little revenue value in their present state and small, though always some, desirability for grazing purposes. Their ultimate worth, however, both intrinsic and from an economic standpoint, cannot be doubted, for the time is bound to come—and the earlier it comes the better for Arizona—when every drop of water that can be diverted from its course to the sea or stored in mountain gorges, will be directed to the soil and required to fulfill its mission to mankind.

The lands classed as "dry-farm" are generally such as have been demonstrated, by successful or reasonably successful experiments, to be susceptible of practical agricultural development by that method.

Not a little skepticism still exists in some quarters as to the feasibility of dry-farming in any part of Arizona, but the expression of this skepticism becomes less pronounced and the enthusiasm of the dry-farmer more pronounced year by year, and the observation and belief of the Commission is that neither the area which may be utilized nor the degree of success to which the industry may be brought are as yet fully appreciated. It is true that there have been many failures, and doubtless there will be many more, but scientific experimentation, the dissemination, by the Agricultural Experiment Department of the State University, of advanced cultural methods, and an increasing knowledge of the best crops to grow and how to utilize them to the greatest advantage are producing their logical results. The business and science of dry-farming in Arizona is making definite, steady gains.

A portion of the lands placed in this class are undoubtedly the best adapted, at the present time, for permanent disposition by sale. Following the collection of definite and reliable information respecting each tract, to insure against the making of even unintentional misrepresentations, and in furtherance of what should be the State's fixed policy of assisting and co-operating with rather than gold-bricking those who may be attracted, a considerable portion of these lands could be profitably disposed of.

It will be observed that the Commission's selections include a small quantity of land classified as valuable for grazing only, although the policy has been and is to exclude from consideration such tracts. In rare cases this deviation from the Commission's rule is considered wise. The instances of such deviation will be found in dry-farm districts, where the most successful operations consist of a combination of farming and stock-raising, and a small amount of grazing land contiguous to the dry-farm takes on an added value in proportion to the very considerable advantage it affords.

Another inconsiderable exception to the Commission's policy is shown in the selection of 8,744.61 acres of land chiefly valuable for the cedar timber growing upon it. The conservation of this timber, which was chosen for the excellence of its stand and favorable location for transportation, will result in time in a handsome return to the State. Its lowest, though most definite value at present is for fuel or posts, for which there is an active demand and a rapidly

decreasing supply. Placed on a fuel basis it has a stumpage value of fifty cents per cord, and an estimate of the cedar land selected for the State indicates that it would now yield a return of from $5.50 to $6 per acre. The stumpage, and therefore the acre value, is quite certain to increase. Some investigation has also been given to the subject of utilizing this wood for lead pencils, and it seems likely, in view of the scarcity of wood for that purpose, that the project is not altogether remote. Prior to the European war samples were submitted to German pencil manufacturers, who signified their satisfaction, and that they could probably use considerable quantities, at a price which would make the wood extremely valuable. For pencil purposes, of course, only the clear pieces are adaptable, the balance of the tree finding its way to the fuel market.

A classification of the lands withdrawn for survey, but which by reason of their unsurveyed condition have not been formally selected, is impractical. It may be accepted as generally true, however, that the greater portion of these lands which will finally be selected are semi-arid in character and susceptible of reclamation either by pumping or by means of storage reservoirs, and an outstanding fact will be found to be the very considerable amount of land that will come under the reservoir class. Not less than eight or ten apparently feasible projects, of greater or lesser magnitude, are controlled by the land which has been withdrawn. Thus it may be seen that when title to this land, in addition to that of like class already selected, shall have finally passed to the State, it will represent, in the most direct, concrete, tangible form, a reclamation and development opportunity of great proportions which it will be the State's sacred duty, as well as privilege, to improve.

CLASSIFICATION OF SELECTED INSTITUTIONAL LANDS

AGRICULTURAL.

Dry farm	80,130.72 acres
Dry farm and flood water	71,473.53 acres
Dry farm and pumping	76,125.94 acres
Dry farm, flood water and pumping	5,149.00 acres
Pumping only	211,742.48 acres
Pumping and flood water	10,642.33 acres
Susceptible of irrigation by storage and diversion	160,427.89 acres
Woodland and dry farm	3,200.00 acres
Woodland and grazing	5,544.61 acres
Grazing only	12,224.66 acres
Total	636,661.16 acres

RECAPITULATION

Total susceptible of some form of agricultural development	618,891.89 acres
Other classes, not susceptible of agriculture	17,769.27 acres
Total	636,661.16 acres

GRAZING.

Extra good	36,139.78 acres
Good	243,243.54 acres
Medium	157,712.96 acres
Poor	141,096.88 acres
Pumping	50,431.00 acres
Dry farm, flood water and pumping	2,429.00 acres
Susceptible of irrigation by storage or diversion	5,608.00 acres
Total	636,661.16 acres

RECAPITULATION.

Total having a grazing value	578,193.16 acres
Other classes, having agricultural but no grazing value	58,468.00 acres
Total	636,661.16 acres

WOODLAND.

Woodland and dry farm	3,200.00 acres
Woodland and grazing	5,544.61 acres
Grazing land, having neither woodland nor agricultural value	12,224.66 acres
Agricultural land, having grazing but no woodland value	560,396.89 acres
Agricultural land, having neither woodland nor grazing value	55,295.00 acres
Total	636,661.16 acres

CLASSIFICATION OF SELECTED INSTITUTIONAL LANDS

RECAPITULATION.

Total woodland	8,744.61	acres
Other classes, having agricultural or grazing, or both, but no woodland value	627,916.55	acres
Total	636,661.16	acres

INSTITUTIONAL SELECTIONS BY COUNTIES.

APACHE COUNTY.

Grant	Approved	Pending	Total
University			
Public buildings			
Penitentiaries			
Insane asylums			
Schools for deaf, dumb and blind			
Miners' hospitals			
Normal schools			
Charitable, penal and reformatory institutions			
Agricultural and mechanical colleges			
School of mines			
Military institutes			
County bonds		1,360.96	1,360.96
Total		1,360.96	1,360.96

COCHISE COUNTY.

Grant	Approved	Pending	Total
University	12,242.00	12,783.03	25,025.03
Public buildings	9,635.28		9,635.28
Penitentiaries	12,368.38		12,368.38
Insane asylums	5,080.00		5,080.00
Schools for deaf, dumb and blind		5,352.30	5,352.30
Miners' hospitals		5,115.64	5,115.64
Normal schools	6,381.24	9,394.61	15,775.85
Charitable, penal and reformatory institutions	3,136.30	3,679.10	6,815.40
Agricultural and mechanical colleges	6,168.38	3,674.91	9,843.29
School of mines	12,713.76		12,713.76
Military institutes			
County bonds		10 949.27	10,949.27
Total	67,725.34	50,948.86	118,674.20

COCONINO COUNTY.

Grant	Approved	Pending	Total
University			
Public buildings			
Penitentiaries			
Insane asylums			
Schools for deaf, dumb and blind			
Miners' hospitals			
Normal schools			
Charitable, penal and reformatory institutions			
Agricultural and mechanical colleges			
School of mines			
Military institutes			
County bonds		6,432.98	6,432.98
Total		6,432.98	6,432.98

INSTITUTIONAL SELECTIONS BY COUNTIES.

GRAHAM COUNTY.

Grant	Approved	Pending	Total
University			
Public buildings	4,000.00		4,000.00
Penitentiaries		6,356.51	6,356.51
Insane asylums		6 360.08	6,360.08
Schools for deaf, dumb and blind		6,386.42	6,386.42
Miners' hospitals		6,080.00	6,080.00
Normal schools			
Charitable, penal and reformatory institutions		2,720.00	2,720.00
Agricultural and mechanical colleges		160.00	160.00
School of mines			
Military institutes			
County bonds			
Total	4,000.00	28,063.01	32,063.01

MARICOPA COUNTY.

Grant	Approved	Pending	Total
University		160.00	160.00
Public buildings			
Penitentiaries			
Insane asylums			
Schools for deaf, dumb and blind			
Miners' hospitals			
Normal schools	80.00		80.00
Charitable, penal and reformatory institutions			
Agricultural and mechanical colleges		6,321.57	6,321.57
School of mines		6,080.47	6,080.47
Military institutes			
County bonds			
Total	80.00	12,562.04	12,642.04

MOHAVE COUNTY.

Grant	Approved	Pending	Total
University			
Public buildings			
Penitentiaries			
Insane asylum		3,279.39	3,279.39
Schools for deaf, dumb and blind			
Miners' hospitals			
Normal schools			
Charitable, penal and reformatory institutions			
Agricultural and mechanical colleges			
School of mines			
Military institutes			
County bonds		240.00	240.00
Total		3,519.39	3,513.39

INSTITUTIONAL SELECTIONS BY COUNTIES.

NAVAJO COUNTY.

Grant	Approved	Pending	Total
University			
Public buildings			
Penitentiaries			
Insane asylums			
Schools for deaf, dumb and blind		3,047.15	3,047.15
Miners' hospitals			
Normal schools			
Charitable, penal and reformatory institutions			
Agricultural and mechanical colleges			
School of mines			
Military institutes			
County bonds		1,160.00	1,160.00
Total		4,207.15	4,207.15

PIMA COUNTY.

Grant	Approved	Pending	Total
University	8,331.86		8,331.86
Public buildings	12,269.27		12,269.27
Penitentiaries		6,360.74	6,360.74
Insane asylums	6,360.00		6,360.00
Schools for deaf, dumb and blind		6,383.59	6,383.59
Miners' hospitals		6,394.76	6,394.76
Normal schools	6,238.54		6,238.54
Charitable, penal and reformatory institutions	12,200.07		12,200.07
Agricultural and mechanical colleges		12,781.03	12,781.03
School of mines		12,639.86	12,639.86
Military institutes			
County bonds		13,694.09	13,694.09
Total	45,399.74	58,254.07	103,653.81

PINAL COUNTY.

Grant	Approved	Pending	Total
University	19,825.13		19,825.13
Public buildings	18,532.30		18,532.30
Penitentiaries	19,173.16		19,173.16
Insane asylums	12,793.15	8,561.61	21,354.76
Schools for deaf, dumb and blind	19,156.20		19,156.20
Miners' hospitals		24,961.77	24,961.77
Normal schools	25,244.32		25,244.32
Charitable, penal and reformatory institutions	18,949.93	6,286.55	25,236.48
Agricultural and mechanical colleges		14,634.03	14,634.03
School of mines		19,132.33	19,132.33
Military institutes			
County bonds		18,975.46	18,975.46
Total	133,674.19	92,551.75	226,225.94

INSTITUTIONAL SELECTIONS BY COUNTIES.

YAVAPAI COUNTY.

Grant	Approved	Pending	Total
University			
Public buildings			
Penitentiaries	4,023.30	920.48	4,943.78
Insane asylums	11,471.47		11,471.47
Schools for deaf, dumb and blind	10,309.85		10,309.85
Miners' hospitals		1,994.67	1,994.67
Normal schools	6,320.74		6,320.74
Charitable, penal and reformatory institutions			
Agricultural and mechanical colleges			
School of mines			
Military institutes			
County bonds		9,767.12	9,767.12
Total	32,125.36	12,682.27	44,807.63

YUMA COUNTY.

Grant	Approved	Pending	Total
University		11,869.10	11,869.10
Public buildings	6,353.51	6,400.00	12,753.51
Penitentiaries		10,414.26	10,414.26
Insane asylums		6,587.28	6,587.28
Schools for deaf, dumb and blind		4,540.62	4,540.62
Miners' hospitals		5,453.97	5,453.97
Normal schools		6,361.67	6,361.67
Charitable, penal and reformatory institutions		6,399.28	6,399.28
Agricultural and mechanical colleges		6,400.00	6,400.00
School of mines		4,621.56	4,621.56
Military institutes			
County bonds		7,672.80	7,672.80
Total	6,353.51	76,720.54	83,074.05

RECAPITULATION.

	Approved	Pending	Total Selected	Not Selected	Total Grant
University	40,398.99	24,812.13	65,211.12	134,788.88	200,000
Public buildings	50,790.36	6,400.00	57,190.36	42,809.64	100,000
Penitentiaries	35,564.82	24,052.01	59,616.83	40,383.17	100,000
Insane asylums	35,704.62	24,788.36	60,492.98	39,507.02	100,000
Schools for deaf, dumb and blind	29,466.05	25,710.08	55,176.13	44,823.87	100,000
Miners' hospitals		*50,000.81	*50,000.81		50,000
Normal schools	44,264.84	15,756.28	60,021.12	139,978.88	200,000
Charitable, penal and reformatory institutions	34,286.30	19,084.93	53,371.23	46,628.77	100,000
Agricultural and mechanical colleges	6,168.38	43,971.54	50,139.92	99,860.08	150,000
School of mines	12,713.76	42,474.22	55,187.98	94,812.02	150,000
Military institutes				100,000.00	100,000
County bonds		70,252.68	70,252.68	929,747.32	1,000,000
Total	289,358.12	347,303.04	636,661.16	1,713,339.65	2,350,000

*Overdrawn 81-100 acres.

INSTITUTIONAL SELECTIONS BY GRANTS

TABLE II.

UNIVERSITY.

County	Approved	Pending	Total
Apache			
Cochise	12,242.00	12,783.03	25,025.03
Coconino			
Gila			
Graham			
Greenlee			
Maricopa		160.00	160.00
Mohave			
Navajo			
Pima	8,331.86		8,331.86
Pinal	19,825.13		19,825.13
Santa Cruz			
Yavapai			
Yuma		11,869.10	11,869.10
Total	40,398.99	24,812.13	65,211.12
Not selected			134,788.98
Total grant			200,000.00

PUBLIC BUILDINGS.

County	Approved	Pending	Total
Apache			
Cochise	9,635.28		9,635.28
Coconino			
Gila			
Graham	4,000.00		4,000.00
Greenlee			
Maricopa			
Mohave			
Navajo			
Pima	12,269.27		12,269.27
Pinal	18,532.30		18,532.30
Santa Cruz			
Yavapai			
Yuma	6,353.51	6,400.00	12,753.51
Total	50,790.36	6,400.00	57,190.36
Not selected			42,809.64
Total grant			100,000.00

PENITENTIARIES.

County	Approved	Pending	Total
Apache			
Cochise	12,368.38		12,368.38
Coconino			
Gila			
Graham		6,356.51	6,356.51
Greenlee			
Maricopa			
Mohave			
Navajo			
Pima		6,360.74	6,360.74
Pinal	19,173.16		19,173.16
Santa Cruz			
Yavapai	4,023.30	920.48	4,943.78
Yuma		10,414.26	10,414.26
Total	35,564.84	24,051.99	59,616.83
Not selected			40,383.17
Total grant			100,000.00

INSTITUTIONAL SELECTIONS BY GRANTS

INSANE ASYLUMS.

County	Approved	Pending	Total
Apache			
Cochise	5,080.00		5,080.00
Coconino			
Gila			
Graham		6,360.08	6,360.08
Greenlee			
Maricopa			
Mohave		3,279.39	3,279.39
Navajo			
Pima	6,360.00		6,360.00
Pinal	12,793.15	8,561.61	21,354.76
Santa Cruz			
Yavapai	11,471.47		11,471.47
Yuma		6,587.28	6,587.28
Total	35,704.62	24,788.36	60,492.98
Not selected			39,507.02
Total grant			100,000.00

SCHOOLS FOR DEAF, DUMB AND BLIND.

County	Approved	Pending	Total
Apache			
Cochise		5,352.30	5,352.30
Coconino			
Gila			
Graham		6,386.42	6,386.42
Greenlee			
Maricopa			
Mohave			
Navajo		3,047.15	3,047.15
Pima		6,383.59	6,383.59
Pinal	19,156.20		19,156.20
Santa Cruz			
Yavapai	10,309.85		10,309.85
Yuma		4,540.62	4,540.62
Total	29,466.05	25,710.08	55 176.13
Not selected			44,823.87
Total grant			100,000.00

MINERS' HOSPITAL.

County	Approved	Pending	Total
Apache			
Cochise		5,115.64	5,115.64
Coconino			
Gila			
Graham		6,080.00	6,080.00
Greenlee			
Maricopa			
Mohave			
Pima		6,394.76	6,394.76
Pinal		24,961.77	24 961.77
Santa Cruz			
Yavapai		1,994.67	1,994.67
Yuma		5,453.97	5,453.97
Total		50,000.81	*50,000.81
Not selected			
Total Grant			50,000.00

*Overdrawn 81-100 acres.

INSTITUTIONAL SELECTIONS BY GRANTS

NORMAL SCHOOLS.

County	Approved	Pending	Total
Apache			
Cochise	6,381.24	9,394.61	15,775.85
Coconino			
Gila			
Graham			
Greenlee			
Maricopa	80.00		80.00
Mohave			
Navajo			
Pima	6,238.54		6,238.54
Pinal	25,244.32		25,244.32
Santa Cruz			
Yavapai	6,320.74		6,320.74
Yuma		6,361.67	6,361.67
Total	44,264.84	15,756.28	60,021.12
Not selected			139,978.88
Total grant			200,000.00

PENAL, CHARITABLE AND REFORMATORY INSTITUTIONS.

County	Approved	Pending	Total
Apache			
Cochise	3,136.30	3,679.10	6,815.40
Coconino			
Gila			
Graham		2,720.00	2,720.00
Greenlee			
Maricopa			
Mohave			
Navajo			
Pima	12,200.07		12,200.07
Pinal	18,949.93	6,286.55	25,236.48
Santa Cruz			
Yavapai			
Yuma		6,399.28	6,399.28
Total	34,286.30	19,084.93	53,371.23
Not selected			46,628.77
Total grant			100,000.00

AGRICULTURAL AND MECHANICAL COLLEGES.

County	Approved	Pending	Total
Apache			
Cochise	6,168.38	3,674.91	9,843.29
Coconino			
Gila			
Graham		160.00	160.00
Greenlee			
Maricopa		6,321.57	6,321.57
Mohave			
Navajo			
Pima		12,781.03	12,781.03
Pinal		14,634.03	14,634.03
Santa Cruz			
Yavapai			
Yuma		6,400.00	6,400.00
Total	6,168.38	43,971.54	50,139.92
Not selected			99,860.08
Total grant			150,000.00

INSTITUTIONAL SELECTIONS BY GRANTS

SCHOOL OF MINES.

County	Approved	Pending	Total
Apache			
Cochise	12,713.76		12,713.76
Coconino			
Gila			
Graham			
Greenlee			
Maricopa		6,080.47	6,080.47
Mohave			
Navajo			
Pima		12,639.86	12,639.86
Pinal		19,132.33	19,132.33
Santa Cruz			
Yavapai			
Yuma		4,621.56	4,621.56
Total	12,713.76	42,474.22	55,187.98
Not selected			94,812.02
Total grant			150,000.00

COUNTY BONDS.

County	Approved	Pending	Total
Apache		1,360.96	1,360.96
Cochise		10,949.27	10,949.27
Coconino		6,432.98	6,432.98
Gila			
Graham			
Greenlee			
Maricopa			
Mohave		240.00	240.00
Navajo		1,160.00	1,160.00
Pima		13,694.09	13,694.09
Pinal		18,975.46	18,975.46
Santa Cruz			
Yavapai		9,767.12	9,767.12
Yuma		7,672.80	7,672.80
Total		70,252.68	70,252.68
Not selected			929,747.32
Total grant			1000,000.00

RECAPITULATION.

County	Approved	Pending	Total
Apache		1,360.96	1,360.96
Cochise	67,725.32	50,948.88	118,674.20
Coconino		6,432.98	6,432.98
Gila			
Graham	4,000.00	28,063.01	32,063.01
Greenlee			
Maricopa	80.00	12,562.04	12,642.04
Mohave		3,519.39	3,519.39
Navajo		4,207.15	4,207.15
Pima	45,399.74	58,254.07	103,653.81
Pinal	133,674.19	92,551.75	226,225.94
Santa Cruz			
Yavapai	32,125.36	12,682.27	44,807.63
Yuma	6,353.51	76,720.54	83,074.05
Total	289,358.12	347,303.04	636,661.16

APPLICATIONS FOR WITHDRAWAL AND SURVEY

TABLE III

County	Approved	Pending	Total
Apache			
Cochise	390,275		390,275
Coconino	46,000		46,000
Gila			
Graham	8,720		8,720
Greenlee			
Maricopa	907,240	299,000	1,206,240
Mohave			
Navajo			
Pima	575,000		575,000
Pinal	570,500		570,500
Santa Cruz			
Yavapai	421,930		421,930
Yuma	774,570		774,570
Total	3,694,235	299,000	3,993,235

RECAPITULATION OF WITHDRAWALS AND SELECTIONS

TABLE IV

	Withdrawals		Selections		
County	Approved	Pending	Approved	Pending	Total
Apache				1,360.96	1,360.96
Cochise	390,275		67,725.32	50,948.88	508,949.20
Coconino	46,000			6,432.98	52,432.98
Gila					
Graham	8,720		4,000.00	28,063.01	40,783.01
Greenlee					
Maricopa	907,240	299,000	80.00	12,562.04	1,218,882.04
Mohave				3,519.39	3,519.39
Navajo				4,207.15	4,207.15
Pima	575,000		45,399.74	58,254.07	678,653.81
Pinal	570,500		133,674.19	92,551.75	796,725.94
Santa Cruz					
Yavapai	421,930		32,125.36	12,682.27	466,737.63
Yuma	774,570		6,353.51	76,720.54	857,644.05
	3,694,235	299,000	289,358 12	347,303.04	
		3,694,235		289,358.12	
Total		3,993,235		636,661.16	4,629,896.16

SCHOOL LANDS

By the terms of the Enabling Act of June 20, 1910 (36 U. S. Stats., 557), there were granted to the State of Arizona "for the support of common schools," "in addition to sections 16 and 36, heretofore reserved for the Territory of Arizona, sections 2 and 32 in every township in said proposed State not otherwise appropriated at the date of the passage of the Act."

Provision was also made that "where sections 2, 16, 32 and 36, or any parts thereof, are mineral, or have been sold, reserved, or otherwise appropriated or reserved by or under the authority of any Act of Congress, or are wanting or fractional in quantity, or where settlement thereon with a view to desert land entry has been made heretofore or hereafter, and before the survey thereof in the field," other lands of equal acreage may be selected by the State, in lieu of such as may thus be taken.

Further provision was made "that the grants of sections 2, 16, 32 and 36 * * * within National Forests now existing or proclaimed, shall not vest the title to said sections in said State until the part of said National Forests embracing any of said sections is restored to the public domain, but said granted sections shall be administered as a part of said forests, and at the close of each fiscal year there shall be paid by the Secretary of the Treasury to the State, as income for its common school fund, such proportion of the gross proceeds of all the National Forests within the State as the area of lands hereby granted to said State for school purposes which are situated within said forest reserves, whether surveyed or unsurveyed, may bear to the total area * * *."

The total area of sections 2, 16, 32 and 36, in every township in the State, thus granted "for the support of common schools," is 8,103,680 acres (see Table No. V, page 67). Of this area, however, 3,134,555.20 acres are unsurveyed, and the title of the State has therefore not accrued; 1,397,357.59 acres are in National Forests,

and are being administered, under the terms of the Enabling Act, by the Forest Service; 1,823,024.12 acres are situate in Indian and other reservations authorized by Act of Congress, and 168,707.62 acres were "otherwise appropriated at the date of the passage of the Enabling Act" or settlement thereon with a view to homestead or desert-land entry was made before the survey thereof in the field. The remainder, 1,580,035.47 acres, represents the school land "in place" at the present time, being administered by the Commission under the temporary laws enacted for that purpose.

EXAMINATION.

As in the case of institutional lands, the Commission deemed an examination of the school lands of the State, and their proper classification, to be of paramount importance, and an absolute essential preliminary to any attempt to adequately administer them or to enact intelligent legislation for their permanent administration or disposition. Acting upon this theory, therefore, and in conformity with the law's direction, all of the school land "in place" in the State has been examined, with a view to determining its present usefulness, its adaptability, possibilities, present and potential value, and, in the case of land in sections 16 and 36 held under lease prior to Statehood, as nearly as possible the value of the improvements thereon ascertained, with a view to affording the Legislature the information essential to the preparation of a plan "for the equitable adjustment of the reciprocal rights of the lessee, residing on any of said land, and of the State." (Paragraph 4566, Chapter 1, Title 43, Revised Statutes 1913).

The Commission's records contain reports of each section, or in the case of tracts, under lease or otherwise, containing less than a section, of each such tract, setting forth the facts with respect thereto.

It may hardly be claimed that the examinations upon which these reports and the Commission's subsequent findings are based, were in every instance of that absolute thoroughness, or marked with such exactitude for detail, as to render them an adequate foundation for individual adjustments or as final appraisals in the case of a disposition of the land, but they will be found to supply,

with practical accuracy, the fundamental information necessary for the formulation of a policy for the handling of the various school land problems.

CLASSIFICATION.

It was inevitable, of course, that an examination of the place school lands throughout the State would demonstrate a much smaller proportion susceptible of some character of agricultural development, and therefore a lower average value, than in the case of the institutional lands, selected with a view primarily to their immediate or potential agricultural advantages. While it is true that in the case of the school land there is about 25,000 acres, under the Salt River and Yuma government reclamation projects, which is extremely valuable, and many other tracts falling within well-settled and well-developed districts where no opportunity is afforded for the selection of institutional lands, on the whole the average, by comparison with the latter, is low, since large numbers of sections fall in mountainous and other localities possessing no advantages or possibilities except for grazing, and occasionally they are totally barren.

Being widely scattered and non-contiguous, they do not offer either, the same degree of opportunity for systematic, comprehensive reclamation and development as is presented by the institutional lands, which in the majority of cases are in considerable tolerably compact bodies. But such opportunity is by no means entirely wanting, since school lands will be found to the extent of from two to four sections per township in all of the districts where institutional lands, chosen with an eye to their future development, are located, and any plan or system evolved for the benefit of the latter can as well be applied to the school lands.

The classification of school lands exhibited on pages 65-66 shows that of the 1,580,035.46 acres in place, 1,128,461.61 acres are desirable only for grazing, 5,098.75 acres are waste lands, falling in river bottoms and on barren mountains; 344,980.97 acres possess both present grazing advantages and agricultural possibilities, while 101,494.13 acres are distinctly agricultural in character and are either in a present stage of development or are immediately sus-

ceptible of the same. The school lands of the State in place represent at the present time, in the opinion of the Commission, a total valuation of $6,266,505.79 exclusive of improvements, or an average of about $4 per acre. This appraisal does not take into account what the lands may become worth, under a comprehensive plan of development—a subject which will receive attention, in conjunction with the institutional lands, in the Commission's discussion of a permanent land policy.

No accurate data can be afforded as to the classification or value of the unsurveyed, unreserved lands which, when surveyed, will be school lands. Wherever such sections could be identified, and it was convenient to do so, the Commission examined them and filed reports thereon, as an economy against the day when the lands shall have been surveyed, but in addition to being far from complete this information could have but little if any present value, for the reason that much of the land, being subject to the prior rights of squatters, may never become school land. As a general proposition, however, it would seem safe and conservative to estimate that the unreserved and unsurveyed school lands, together with such as may be selected as indemnity, will average almost if not quite as high in value, when available, as the land now in place. Such disadvantage as they may suffer in the comparison by reason of the highly valuable irrigable lands which comprise a portion of the school lands now being administered, will probably be compensated by the choiceness of the compact bodies, susceptible of development, which it will be possible to secure under the various provisions of the law relating to indemnity selections.

INDEMNITY FOR INDIAN SCHOOL LANDS.

An exceedingly interesting and highly important phase of the question of indemnity school lands is suggested by the existence, in Arizona, of the enormous area devoted to Indian reservations. Of the State's total area of 72,931,840 acres, 17,637,050 acres, or about twenty-four per cent, falls within Indian reservations. Without entering into a discussion of the several-sided subject as to the purpose, the need and the effect upon the State and upon the government's wards themselves, of such a stupendous

segregation from the body of public lands, the figures given will immediately convey to the mind an idea of the reduction of the grant for school purposes which is thus effected. The total of the school lands so withdrawn is 1,746,860.01 acres, as follows:

Reservation.	Acres.
Navajo	903,837.51
Moqui	274,107.58
Fort Apache	177,759.24
San Carlos Apache	177,920.00
Kaibab	13,440.00
Hualapai	106,240.00
Fort Mohave	560.00
Colorado River	27,827.66
Fort McDowell	2,905.65
Salt River	7,851.41
Gila Bend	640.00
Gila River	36,018.32
Papago	17,752.64
Total	1,746,860.01

Under the provisions of Section 2275, Revised Statutes of the United States, confirmed and extended by the Enabling Act, whenever sections 2, 16, 32 and 36 are included within any Indian reservation, other lands of equal acreage may be selected by the State, though the State may, if it wishes, await the extinguishment of any such reservation and upon the restoration of its lands to the public domain take the school sections in place therein.

With a view to determining the wisest course for the State to pursue under the existing circumstances, the Commission made a preliminary examination of a number of reservations, the net result of which is a conviction that with the exception of the Fort Apache, the San Carlos Apache, the Kaibab and the Colorado River reservations, with a total of school land of 396,946.90 acres, the school land within the Indian reservations of the State should be relinquished, and indemnity taken therefor.

Especially is this true of the Navajo and Moqui reservations, containing 1,177,945.09 acres of school land, which, as the result of a careful investigation conducted under the superintendence of Commissioner Wm. A. Moody, is considered practically worthless.

Under date of May 25, 1913, Commissioner Moody wrote:

> "Your attention is further directed to the fact that there is a total of 903,837.51 acres of school land lying within the Navajo Indian Reservation (including some 79,360 acres, the status of

which, as an Indian reservation is in doubt), and 274,107.58 acres within the Moqui reservation. Judging from the worthless character of the portion already reported on, I believe that all of the land within these two Indian reservations is largely worthless and of very limited value to the schools of our State. While I have evidence that there is considerable country within these two reservations (that is, in the eastern portion) very much better than the areas covered by this report (which was the western portion), I also believe it is not unlikely that all the better lands in these reservations have been or will be allotted to the Navajo and Moqui Indians prior to the time when these reservations shall be restored to the public domain. I therefore recommend that the State Land Commission continue the examination of these reservation lands at the earliest possible date, in order to determine whether it will be advisable to make lieu selections for all of the school lands within the Navajo and Moqui reservations."

Though no other reservation contains so great an amount of school land, or land of such insignificant value, there are a number so situated that in the opinion of the Commission it would be to the very great advantage of the State were the school lands contained therein converted into indemnity lands. There are a few —notably the Colorado River reservation, with 27,827.66 acres of school land, and the Fort Apache and San Carlos Apache reservations, with a combined school land acreage of 355,679.25, where the lands, or a considerable portion thereof, are of such value that it would probably be wise to await the extinguishment of the reservations, when the State would secure the school lands in place. The former reservation is susceptible of irrigation, either by means of pumping or by diversion from the Colorado river, while portions of the Apache reservations are well watered and susceptible of extensive development.

IMPROVEMENTS ON SCHOOL LANDS.

One of the most important tasks imposed upon the Commission by the Act creating it was that of determining, as provided by Paragraph 4566, Chapter 1, Title 43, Revised Statutes 1913, "the character and value of the improvements on the * * * school lands * * * heretofore leased," and of causing the same to be properly appraised, for the purpose of providing "such information as will afford the next Legislature ample means of knowledge for properly and adequately providing a systematic method of handling the public lands of the State, and for the equitable adjustment of the reciprocal rights of the lessee, residing on any of said land, and of the State."

Cognizant of the far-reaching import of this double-purposed requirement—that of aiding in an equitable adjustment of the claims for improvements of lessees residing on school lands held under Territorial lease, and of arriving at a proper method for hereafter handling the question of improvements—the Commission has earnestly endeavored to arrive at a fair valuation of the different classes of such property.

The difficulties attendant upon an appraisal of improvements on school lands, in the absence of a judicial interpretation of what constitutes an improvement, or the extent of the value of certain classes of improvements which may have some but an indefinite standing as such, will be appreciated. Conceiving, however, that the chief need consisted in placing the Legislature in possession of the complete facts, the Commission included in its appraisal every tangible thing that could by any process of reasoning be deemed an improvement, so segregated as to classes that the proportion borne by improvements of a doubtful or questionable character to those of well recognized and definite worth may be readily ascertained.

The only definition of the term "improvement," as relating to school lands, thus far written into an Arizona statute is that contained in Paragraph 4036, Section 5, Title 65, Revised Statutes 1901, which, according to one interpretation of the State Constitution, is adopted and perpetuated by that organic act. The definition there given is:

> "Sec. 5. Improvements within the meaning of this title shall be held to mean anything permanent in character, the result of labor or capital expended on such land in its reclamation or development, and the appropriation of water thereon, which has enhanced the value of the same beyond what said land would be worth had it been permitted to remain in its original state."

Relying upon this definition, some parties—and it must be said that they are generally former lessees who have failed or refused to comply with the law provided for the temporary administration of school lands—contend that the value of their improvements is the difference between what the land was worth in its original state and what it is worth at the present time; in other words, that the entire enhancement of value which the land may have enjoyed since they or their predecessors became tenants there-

on, was the result of labor or capital expended by them for one or the other of the purposes specified, and that therefore they are entitled, as compensation for improvements, virtually to the land itself, or its equivalent.

This interpretation—which is by no means generally held by the school land lessees of the State—is, in the opinion of the Commission so untenable, and so entirely foreign to the scope and purpose of the legal definition of the term "improvements" referred to, as well as to the law of reason, that the Commission has not seen fit to give it any consideration in the appraisals made. Since the contention is particularly applied to a local condition—though its establishment would bring exceedingly far-reaching, and for the State disastrous results—and may be said to be confined to a group of lessees in a certain locality, its further discussion will be included in a full and separate statement of that case.

The Commission believes that the definition heretofore quoted was intended merely to indicate what classes of improvements should be construed as such within the meaning of the law relating to reimbursement, and to limit them to such, permanent in character, as enhance the value of the land, excluding all claims for labor performed or capital expended—whether the results of such labor or capital are apparent or not—which fail to so enhance the land's value, and that the statute did not attempt or intend to fix the value of any such improvements at the amount which they might, directly or indirectly, ultimately enhance the value of the land, or at any other amount. On this theory, supported by the generally-held moral conception of what a lessee might expect, with due regard for justice and propriety, to receive in the way of reimbursement for his expenditures of labor or capital, the Commission has in its appraisal endeavored to consider, first, whether or not an improvement so-called has enhanced the value of the land, and if so, second, what was the reasonable cost of or expenditure for the same, or in other words, what it would cost to replace the improvement.

As heretofore suggested, there are classes of improvements, so regarded by the lessee, the determination of the value of which, as an enhancement of the value of the land upon which situated, present exceedingly fine and doubtful points. In

illustration might be mentioned interior and cross-fences, which, though satisfactory to the party erecting them, might be and frequently are worthless to a subsequent lessee, and therefore in his eyes not an enhancement of the value of the land, but rather a detriment; farm irrigation ditches, which are subject to changes as to location, and which might in fact be found, upon careful investigation, to have been located in improper places, and in all events are subject to the variations of value caused by the condition in which they are maintained; and sheep-dipping vats, useful to the lessee who erects them for the conduct of his business, but very probably of no value whatever to a subsequent lessee or in any measure an enhancement of the value of the land, and numerous other items which will suggest themselves. These particular items are mentioned merely to indicate the difficulties attendant upon an accurate appraisal of improvements, and as evidence of the care which should be exercised by the Legislature in the formulation of a plan "for the equitable adjustment of the reciprocal rights of the lessee, residing on any of said land, and of the State."

That improvement the satisfactory adjustment of the value of which is probably fraught with the greatest difficulty, is water attached and appurtenant to school land. Where the appropriation of water, or the possession of water rights by a lessee, constitute a legal, tangible, going possession, or asset, appurtenant to and enhancing the value of the land, and the water is being or may be applied to the land by virtue of such appropriation or right, and not without it, the Commission has endeavored to ascertain the cost of making the appropriation and of the works necessary for the diversion or development of the water, or the fair market value of similar water rights in the same locality or as nearly as may be under similar conditions. In such cases the valuation of the water appropriation or right is comparatively simple. But there are many cases presenting varied and complicated aspects, or involving claims by lessees the allowance of which would be tantamount to the State's relinquishment of its land in satisfaction of the alleged enhancement of value occasioned by the appropriation of water upon it, and the consideration of these cases in such manner that the rights and interests of the State may not be lost sight of or sacrificed while perfect justice is being accorded the lessee, constitutes a serious, vital duty.

Since the questions involved in the adjustment of these exceptional cases have generally been raised by the lessees heretofore referred to, who interpret the value of their improvements to be the total enhancement of the land during the period of their occupancy or since the application of water to it, the subject will be further and more definitely discussed in connection with the detailed consideration of the problems presented by the improved school lands under the Salt River valley reclamation project, on which these lessees reside or upon which they held leases prior to Statehood.

The value of existing improvements on the school lands of the State which were under lease at the date of Statehood reaches the grand total of $778,294.47, exclusive of water rights (See Table VI, page 67). Such water rights as in the opinion of the Commission clearly constitute an improvement within the meaning of the law, and for which the owner is entitled to reimbursement, are valued at $70,682. (For tabulated appraisal of improvements by classes see Table VII, page 68). These figures should be sufficient to impress the Legislature with the seriousness of the problem presented by the "equitable adjustment of the reciprocal rights of the lessee, residing on any of said land, and of the State."

Neither should sight be lost of another significant circumstance —that the figures given represent merely what the Commission, in its judgment, conceives to be the maximum value of the improvements appraised, whereas the lessees themselves in a great many cases place higher, and in frequent instances very much higher valuations upon the same property. The discrepancy should not be understood to mean that all school land lessees, in making application for permits, have placed fictitious and greatly magnified valuations upon their improvements. It is true that in some instances the Commission believes this to have been done, but on the contrary a great majority of the applicants have endeavored to be fair. The ex-lessees who are most likely to be disposed toward the making of extravagant claims are those who have refused to comply with the law in any respect; who have not made application for permits, and who have not, therefore, provided the Commission with any statement whatever of their improvements. The difference between the figures presented by applicants for permits and the Commission's appraisal of the same improvements may gen-

erally be attributed to the lack of any standard of values by the lessees, and their very natural tendency to value improvements, not at what they are worth within the law's meaning, but at what they are considered to be worth to the lessees themselves.

ADMINISTRATION.

With the business-like purpose in view of maintaining undisturbed the status of lands held under lease prior to Statehood, pending the collection of data upon which to base a fair and equitable adjustment with the lessees having improvements thereon, and the establishment of a systematic method of permanently administering such lands, the First Legislature, by the Act approved May 17, 1913 (Paragraph 4567, Chapter 1, Title 43, Revised Statutes 1913), authorized and empowered the Commission "to grant, to bona fide occupants of university and school lands who held leases upon the same at the date of Arizona's admission to Statehood, permits to continue to occupy the said lands until otherwise provided by law," subject to certain specified conditions and to the rules and regulations of the Commission.

By a provision of the amendment of May 17, 1913, the Commission was also given charge of, and authority to lease for a term not exceeding five years, any State land not theretofore leased, or the administration of which was not otherwise provided by law.

With the manner in which the administrative duties thus imposed have been discharged, the results thereof, the information afforded by the experience, and the extent to which the lessees have complied with the law, this report will now deal. That portion of the subject which relates to university lands will, however, be considered under a division devoted exclusively to the various matters pertaining to university lands.

PERMITS TO TERRITORIAL LESSEES.

The most important, for a number of reasons, of the administrative duties imposed upon the Commission, was the granting of permits for the continued occupancy of school lands held under Territorial lease. It was necessary that the status of these lands should be maintained, not only to the end that the State's property might be protected, and a fair revenue derived therefrom, but that

the lessees themselves might remain undisturbed, and their rights and interests safeguarded. A provision of the State Constitution guaranteed to bona fide residents and lessees reimbursement for certain improvements placed on school lands, but there was no provision for carrying the Constitutional guarantee into effect and no data upon which to formulate one. Neither the extent nor character of the improvements on school lands were known, nor could they be approximated. An off-hand attempt to provide for the direct reimbursement of lessees, as some contended the State should do, might well have spelled financial ruin, if indeed it might not have proved a veritable impossibility. The lessees were recognized to have certain rights, which should under no circumstances be denied them, but likewise the State, as custodian of the welfare of all the people, and specifically, in this instance, of the educational welfare of the children of the State, had also important—if not, indeed, vital—rights, and it would have been the height of business folly to have moved otherwise than with caution. Under the circumstances, the only sane, logical thing that could be done, was done.

In compliance, therefore, with the law's direction, the Commission notified all lessees in the State, holding school land under Territorial leases, that their applications for permits to continue the occupancy of the same would be received, and bespoke their co-operation in the State's effort to systematically and "equitably adjust the reciprocal rights of the lessee, residing on any of said land, and of the State." With the blank application prepared for the purpose, the Commission submitted also a form for a statement of the improvements contained on the land. The rentals, for the period beginning with the date of Arizona's admission to Statehood, when all Territorial leases expired, were to be fixed by the Boards of Supervisors of the various counties, as under the old law, but in all other respects the land was to be administered by the Commission. This feature of the law was altered, by the amendment approved May 17, 1913, so that while the Boards of Supervisors were still required to assess the rentals to be charged for the school lands in their respective counties, their action was subject to review and alteration by the Commission, thus virtually placing the fixing of rentals in the hands of the Commission, where, as experience shows, it belongs.

Response to the Commission's notice was generally, though by no means immediately or universally complied with. The difficulties attendant upon the making of an application for a permit, by reason of the fact that it first had to go through the hands of the Board of Supervisors for the fixing of the rental, caused many delays, required many repetitions of the Commission's letters of notification, and occasioned much correspondence explaining the requirements.

As shown by the report of the Commission dated February 1, 1913, there were in existence at the date of Statehood—February 14, 1912—a total of 1126 leases, distributed throughout all the counties of the State. Of this number, 219 were at once canceled by the Commission, by reason of the fact that the tracts they covered were located in the National Forests, and their administration was by the Enabling Act taken from the State and placed under the jurisdiction of the National Forest Service. In addition ninety-six were canceled because the land for which these leases had been granted by Boards of Supervisors, were unsurveyed, and the State, therefore, had no title to the same. The Boards of Supervisors, in granting leases on unsurveyed lands, were clearly acting without authority of law, and the practice was immediately discountenanced and discontinued by the Commission. Three were canceled because of the discovery that they were in Indian reservations, and two because of their inclusion within private land grants. There remained, therefore, 806 tracts or parcels of school land under valid lease at the date of Statehood. Without attempting to define the term "bona fide occupants," as contained in the authorization by the Legislature to grant permits, the Commission, seeing no evil that could follow, took the position that it would consider all of the holders of these 806 Territorial leases to be "bona fide occupants" and issue permits to them, without respect to residence, upon proper application.

As of the date above mentioned—February 1, 1913—450 applications had been received, seven leases had been canceled by relinquishment, and 349 lessees had failed or refused to comply with the law.

It was apparent to the Commission that even at such a late date as February 1, 1913, not a few of the failures to make application were due to simple carelessness and neglect, or to a lingering uncertainty on the part of some as to how to proceed. Still

other, and quite a number, of the delinquents could be accounted for on the ground that they had been holding leases strictly as a gamble, in the hope that the legislative wheels of fortune would, upon the adoption of State land laws, give them preferred rights, as lessees, to acquire the land for a nominal consideration. Since a contrary temper had been so clearly shown by the provisions of the State Constitution, and practically all opportunity for speculation had been eliminated by the statutes enacted for the temporary administration of the land, they had lost interest in their holdings, containing no improvements for which they could claim reimbursement, and desiring to retire had adopted the simple method of failing to apply for permits.

But there was still another and probably a larger class included in the 349 lessees whose applications had not been received. Long prior to February 1, 1913—in fact, soon after assuming its duties—the Commission had become aware of an organized opposition to compliance with the law, an organization of lessees who, whatever their avowed purpose, took the position that there were no demands of patriotism or fairness which required them to co-operate with the State in its effort to secure an equitable adjustment of its self-imposed obligation to school land lessees. Advised by attorneys whose motives it is without the purpose of this report to discuss, but whose activities have seriously hampered the Commission's work, these organized lessees stood upon the arbitrary and seemingly wholly useless contention that inasmuch as their leases terminated with Statehood, and the law—according to their interpretation—provided for reimbursement for improvements upon the termination of leases, they must, willy-nilly be reimbursed, regardless of the fact that no provision therefor had been, or could within reason have been made, and pending such reimbursement they would make no application for continued occupancy, but would nevertheless continue to occupy and receive the benefits of the land upon which they had held Territorial leases without the payment to the State of compensation therefor. It may be added that their conception of the value of their improvements—a circumstance which has heretofore been alluded to—was based upon the theory that they were entitled to the difference between the value of the land in its original state and at the present time. Obviously, therefore, the true purpose of these lessees was to force the State into

a sale of the lands occupied by them, on the most nominal terms, since compliance with their claims as to the extent to which they were entitled to reimbursement for improvements was plainly impossible on any other basis or by any other plan.

The Commission must state its belief, however, that the extreme, radical and altogether unreasonable views here outlined, are not wholly shared by a great many of the lessees who have aided in the organized opposition to compliance with the law, and who are actually, though passively, connected with the organization in question. The views described, with variants equally unreasonable, are confined, in the Commission's opinion, to a comparatively few leading spirits, who have been active in enlisting the co-operation of their fellow lessees. The Commission has from the first persisted in its effort to convince the lessees having claims for improvements that the safest, as well as the proper course for them was to exhibit a spirit of fairness and co-operation with the State, and to comply with the law in the full assurance that their rights would be protected. Many confessed a conviction that such a course was best, and that, having become so convinced, they would gladly make the required application for permits, but they were deterred by an agreement they had entered into to stand with others in refusing.

Aided by the amendment of May 17, 1913, which required the submission of applications by August 1, 1913, the Commission's continued efforts to induce compliance with the law resulted in receiving 101 applications from lessees throughout the State, since the date of the report above referred to. This, together with forty cancellations for various causes, leaves, of the 349 lessees who had failed to make application by February 1, 1913, 208, as shown by Table X, page 86, who still refuse, or have failed to comply with the law. It will be noted that of these, 102 are in Maricopa county, where, to lessees of land under the Salt River project, the organized opposition to applying for permits for further occupancy is confined, in fact if not quite wholly in spirit.

The Commission believes it can safely say that the 106 lessees in counties outside of Maricopa, and at least some of those in Maricopa, who have not made applications, have failed for other reasons than opposition to the law. It will probably be found, in a majority of cases, that they have abandoned the land, having

no improvements thereon, probably having never even used it, and have neglected to apprise the Commission of their action.

The situation, therefore, with respect to the law requiring the making of applications for permits for the further occupancy of school lands, narrows down to practically complete compliance throughout the State except by a certain number, estimated to be seventy-five, occupying 5,818.50 acres of highly valuable agricultural land under the Salt River project.

Despite the law requiring the submission of applications by August 1, 1913, failing which the occupants of school lands might be deemed trespassers and proceeded against by an action of forcible entry and detainer, the Commission has not seen fit to so proceed in any case. The Commission has all along been thoroughly imbued with the desire to assist in effecting an equitable settlement between the State and the lessees, on a basis absolutely just to all, without recourse to litigation, and with the desire to protect the real and legitimate rights of the lessees—even of those whose opposition to the law would seem to be endangering their own rights. Encouraged by the fact that its efforts were steadily, if gradually, bearing good fruit, and hopeful that all of the school land occupants would finally realize that their own interests lie in a course different from the one they were pursuing, the Commission deferred the bringing of a test action so long that it was finally deemed wise to await the approaching session of the Legislature. That body, with all the facts before it, will be in a position to enact legislation commensurate therewith and adequate to cover all contingencies. In the meantime, it is not felt that the State has suffered any pecuniary loss, aside from the temporary deprivation of the sums which it should have received by way of rental for the school lands occupied without the authority of permits.

A complete tabulated statement of the disposition of the school tracts held under lease at the date of Statehood, accompanied by a financial showing setting forth the rentals derived, the rentals delinquent and the rentals earned by tracts for which the leases were canceled, and tracts for which applications have not been received, by annual periods, will be found in Tables XIII and XIV, pages 112-113.

SPECULATION IN SCHOOL LANDS.

The Commission's researches have disclosed the prevalence in the past—and to a considerable degree even yet—of a more or less widespread traffic in school lands, a traffic involving many exceedingly undesirable and not a few reprehensible, if not indeed fraudulent and actionable practices.

One of the commonest of these practices, and the mildest, was to lease a tract of raw school land for a nominal figure, make a show of cultivating it, place a few insignificant and inexpensive improvements thereon, and sub-lease it, as improved land, at an exorbitant increase, either for cash rental or on shares. Aside from the fact that the prohibition against sub-leasing without written consent was invariably ignored, this practice could probably be designated by no more odious title than that of speculating off of the property of Arizona's school children, but that it has for so long been suffered to continue unchecked, and in fact to grow, demonstrates a serious defect in the law or in the method of administering it. A striking instance of this practice has recently come to the Commission's attention, where a small tract of school land was held under Territorial lease by California parties, who sub-leased at an increased rental of about two thousand per cent. The holders of the Territorial lease have never applied for a permit for the further occupancy of the land, and therefore have paid nothing for its use subsequent to the Territory's admission, but have nevertheless continued to exact the stipulated price from their sub-lessees. These sub-lessees, recently learning that the parties from whom they were renting had not secured a permit, became fearful that their tenure of the land was insecure and that the State might step in at any time and eject them, and discontinued their payments. At last accounts the California overlords, who have ignored the law relating to permits, and have themselves paid no rental whatever for the land they held prior to Statehood, were endeavoring to convince their sub-lessees that unless payments were resumed they would proceed with an action for ejectment. It is probable, however, that they will not do so.

A far more reprehensible mode of trafficking in the school lands themselves, rather than merely in the leases on them, was to secure raw tracts—in some cases through dummies and in other

ways not yet explained, of several times the amount allowed by law—and parcel them out, under contracts for periodical payments or installments, bearing heavy interest charges, at prices frequently fully equal to the value of the land itself. Such of these contracts as the Commission has seen—almost always imposed upon very poor people, such as would naturally be most easily attracted by an opportunity to begin farming at a small initial outlay—coupled with other information secured by the Commission, lead to the belief that they were probably induced by false representations regarding the character and value of the title which could be delivered, leading the purchasers to believe that they were securing property of value commensurate with the price asked, whereas all they were getting was the privilege of toiling their lives away in the interest of a sharp and not too conscientious trader. These contracts, of course, provided that failure to make any of the stipulated payments would work a forfeiture of the land, and the Commission's information is to the effect that although the crops raised had first to be devoted to satisfying the payments, it was frequently the case that the payments could not be met. The result was loss to the hoodwinked purchaser of all he had paid and his labor and time while on the land, while the enterprising trafficker in school land secured, in addition to such cash payments as might have been made him, the improvements placed on the land. Having dispossessed the delinquent purchaser, there was then nothing to interfere with a repetition of the transaction, with more highly improved land to trade on and the possibility of securing a more remunerative figure. The Commission has copies of some of the contracts from which the above description is taken, and other information which may hereafter prove of interest.

Suffice it to say at this time that due attention should be paid to the enactment of laws by means of which the practice of speculating in school lands may be effectually prevented.

Warned by the discovery of the reprehensible, if not illegal, practices which have prevailed, the Commission has on a number of occasions taken advantage of the law giving it authority to grant or withhold permission to transfer permits or to sub-lease, to prohibit extortion, but the Commission's efforts in this direction could only extend to the lands for which permits have been granted. It is believed that among the ex-lessees who have failed to comply

with the law relating to permits practices have continued which are worthy of investigation by the legal department of the State.

EARNING POWER OF SCHOOL LANDS.

A comparison of the earning power of the school lands which were under lease at the date of Statehood, under the rates put in effect by the Commission, as against the rates previously charged by the various Boards of Supervisors, is set forth (See Tables IX to XI, pages 72 to 87), not for the purpose of indicating a greatly enhanced rental, but to show the results of equalization. Under the Territorial system, and during the first thirteen months of the Commission's existence, school land rentals were fixed by the Boards of Supervisors, with no authority for revision by the Commission. It was found during that period that the greatest inequality existed among the counties of the State. There was almost no attempt at classification in any county, and no uniformity at all as between the counties. For instance, the rental of grazing sections in Pinal county—where, however, very few were leased—was placed at $48, at $30 in Santa Cruz, at $20 in a number, at $15 in Apache and $10 in Coconino. This difference in rental did not represent a corresponding difference in the grazing value of school lands in the different counties—since, as a matter of fact, it frequently happened that the lowest rental was being charged for the best lands, and vice versa—but merely represented the widely varying official views of those whose duty it was to fix the rentals, and doubtless in some cases reflected the desires of the local interests most directly concerned. Such a result is inevitable where there is no established standard or system for measuring values, and where the authority for fixing them is divided.

The Commission conceived the first necessity of the situation to be the establishment of a standard for the measurement of rental values, rather than the immediate and indiscriminate raising of rentals, and during the past year has devoted much attention to that work. In the case of grazing lands, a minimum price of $20 per section was fixed, and this rate graded upward, according to the especially favorable or extraordinary conditions which go to make some sections of greater value than the average. The effort of the Commission has been to learn what each tract of school

land is really worth, and to charge accordingly—not, indeed, to charge what the land is worth, as an individual would expect to charge, on the basis of a fair return on its assessed value, for that cannot be done at once, if ever, but to so equalize rentals that the charge for the different tracts would be proportionate, according to the character, quality and utility of the land. With such a system perfected and well established, the raising or lowering of rentals as business judgment or justice demand will be a comparatively simple proceeding.

At the date of Statehood there were in existence—outside of the National Forests, where the school lands were thereafter administered by the Forest Service, and exclusive of unsurveyed land, which the State had no authority to lease, 806 leases on school lands, covering 264,993.34 acres. At the rentals then being charged, these leases were yielding $16,397.39 per year.

Reference to Table X, page 86, will show that during the annual period from March 16, 1913, to March 15, 1914, the same land earned, on the basis of the rentals charged subsequent to Statehood, a total of $32,148.48.

The Commission is of the belief that the minimum price established for strictly grazing lands, of $20 per section per annum, cannot with justice, under present conditions, be increased, but all grades of land above minimum grazing, and particularly agricultural lands under reclamation projects, should be subjected to higher rentals. However, the difficulties attendant upon the securing of tenants on developed agricultural lands, at rates productive of an adequate return upon the value of the land, are great.

SCHOOL LAND LEASES.

Subdivision 12, of Paragraph 4567, Chapter 1, Title 43, Revised Statutes 1913, authorizes the Commission to lease, for a term not exceeding five years, "any State land not heretofore leased, or the administration of which has not been otherwise provided by law." The Act contains special conditions to the effect that the rental to be charged shall be not less than three cents per acre for grazing lands, and for agricultural lands not less than fifty cents per acre, while the leases must provide that "no improvements shall be placed upon said lands that will accrue any rights to any lessee for improvements placed thereon."

Though the law gave the Commission authority to grant leases for "not longer than five years," it was deemed wise, for several reasons, to restrict the period to March 15, 1915. This was the date to which permits for the continued occupancy of school lands held prior to Statehood were being granted, and from the standpoint of systematic administration it was obviously of advantage to have all leases and permits terminate at the same time, not only saving much in the maintenance of the Commission's records but permitting horizontal and equal changes in charges at a fixed period, should such changes be at any time desired. Furthermore, in the absence of a definite, well-established, permanent land policy, it was thought to be only proper to avoid the placing of obstacles to the establishment of a policy in the way of the Legislature, and it seemed quite possible that the existence of a considerable number of leases, extending over periods some years in advance of the approaching session might interfere with the Legislature's freedom of action.

Taken in conjunction with the clause vesting in the State the title to such improvements as might be placed upon the lands, the Commission's restrictions brought forth numerous complaints from prospective lessees, the general tenor of which was to the effect that the term of the lease was so short that a lessee could not afford to place on the land more or less expensive improvements, such as might be necessary for his business, only to have them become the property of the State. To such complainants the Commission explained the reasons, as outlined above, which induced the fixing of a short term, and gave the assurance that in the absence of an amendment to the law by the Legislature, during the session which will terminate almost simultaneously with the ending of the lease period, subsequent leases or renewals will be for the full period of five years, and that those leasing under the present law would be entitled to a preference right of renewal. The practical effect of this policy, as was also pointed out, would be to insure safety in the placing of improvements on the lands leased, even though the period of the lease be short; that since the purpose of the State in assuming the title to improvements was not to confiscate or remove them, but merely to avoid responsibilities, complications or entanglements respecting them, it could be safely assumed that the improvements placed on State land by a lessee would be there at the termination

of his lease, and the privilege of renewing the lease for a period of five years would insure him the undisturbed possession and use of the property. Technically, the title would be in the State, as in the case of the land itself, but practically it would make no greater difference to the lessee utilizing both the land and the improvements, where the technical title to the improvements vested, than it would where the title to the land vested.

With a full explanation of the purpose and effect of the lease before them, most complainants, though not all, felt reassured, and applications resulted. In spite, however, of the objections which some prospective lessees advance and maintain, the Commission is confident not only of the wisdom of its course in granting these first leases for a short term, so arranged that all will terminate together, but still more so of the wisdom of the Legislature in avoiding State responsibility for improvements. While it is quite possible that without destroying its important effect, the law may be so amended as to give greater assurance to prospective lessees that they will not lose their improvements unless abandoned voluntarily, the Commission cannot too strongly urge the vital business necessities of the policy of absolving the State, in the case of future leases, of responsibility for improvements. The troubles of this character which were incurred by the Territory and assumed by the State will be a source of annoyance, dissatisfaction and loss for years to come.

Since August 1, 1913, when the Commission announced its readiness to act under the authority granted by the Legislature, 478 applications have been received. The Commission found, however, that the greatest care must be exercised to prevent conflicts, to avoid legal complications, and to safeguard, as nearly as possible, existing equities; and as a consequence, 176 of the applications so received were denied. The status of the remainder is shown in detail by Table XII, page 88. The rentals charged accord with those being received for similar lands held prior to Statehood. In many instances the rate will be found to be less than fifty cents per acre for land which the Commission classifies as agricultural, although the law places at fifty cents the minimum charge for agricultural lands. This seeming inconsistency is due to the fact that the Commission classifies as agricultural all land which in its judgment is susceptible

by reclamation and development, of any of the forms of agriculture, whereas it is assumed that the term, as contained in the statute, comprehends only such land as is immediately available for farming purposes. It would be clearly unjust to charge fifty cents an acre for land of an arid or semi-arid character, at the present time useful for no purpose but grazing, lying under a prospective storage reservoir, merely because it was classified by the Commission as agricultural, and an attempt to do so would result merely in failure to lease the land.

No effort whatever has been made by the Commission to attract lessees, or to dispose of leases on school lands, partly because the short term for which leases were being given did not seem to justify it, and partly because the more important duties of the Commission would not permit. The permanent establishment of a land policy should include provision for a division of the land department devoted to the securing of lessees, or purchasers, or both as the case may be—a subject which will be further considered in the discussion of policy and the Commission's specific recommendations.

SALES OF GRAVEL.

Under the authority of Paragraph 4570, extending full power to administer the lands owned by the State, the Commission has to a limited extent disposed of gravel contained in deposits found on school lands. The procedure has been to advertise the sale of the privilege at public auction, under the provision which prescribes that method for disposing of the natural products of State lands, at a price per cubic yard. While the results have not proved altogether satisfactory, owing to the incompleteness of the plan for handling such sales, the experience had has led the Commission to believe that such natural products—perhaps they might be more properly called the by-products—of the State lands as stone, gravel and wood, can be made to yield an appreciable revenue.

The returns from gravel during the preceding year were $216.64, while contracts at present in force will yield about $300 more.

SCHOOL LANDS WITHIN NATIONAL FORESTS.

(From report of the Commission of September 1, 1913.)

Among the complicated situations which have been adjusted by the Commission is that one caused by the change of administration, under the terms of the Enabling Act, of the school lands lying within national forests. The Enabling Act contains the following provision:

"Sec. 24. * * * Provided, further, that the grants of sections two, sixteen, thirty-two and thirty-six to said State, within national forests now existing or proclaimed, shall not vest the title to said sections in said State until the part of said national forests embracing any of said sections is restored to the public domain, but said granted sections shall be administered as a part of said forests, and at the close of each fiscal year there shall be paid by the Secretary of the Treasury to the State, as income for its common-school fund, such proportion of the gross proceeds of all the national forests within the State as the area of lands hereby granted to said State for school purposes which are situated within said forest reserves, whether surveyed or unsurveyed, and for which no indemnity has been selected, may bear to the total area of said sections."

Prior to the date of Arizona's admission to Statehood, all the school lands (which were the surveyed sections sixteen and thirty-six) lying within or without national forests, were administered by the Boards of Supervisors of the counties in which they lay, and the change of administration, as here set forth, caused much confusion.

The Commission received many vigorous and apparently well founded complaints from the former lessees of school lands within national forests, setting forth that the Forest Service was requiring the removal of their fences, the abandonment of many of their improvements and the restricting of the acreage they had previously held under lease. Investigation showed that this was being done by the Forest Service under a strict interpretation, by subordinate officials of the Service, of the forestry regulations, and without full knowledge of the moral rights, at least, of the lessees, many of whom, by compliance with the orders of the Forest Service, would have suffered severe, and in some cases, ruinous losses. The matter was promptly taken up, through a series of personal conferences between members of the Commission and officials of the Forestry Service of the Department of Agriculture, with most satisfactory results. The Forest Service officials "readily recognized," to quote the words of Forester H. L. Graves, "that to enforce the general regulations respecting the enclosing of lands would work a great

hardship on citizens of the State of Arizona who had enclosed lands under Territorial leases."

On July 15, 1913, Forester Graves suggested to the Secretary of Agriculture that he authorize the continuance of these enclosures on condition that the permittee pay the usual charge for pasture lands, or for agricultural lands, as the case might be, and on July 18 the Secretary of Agriculture approved the recommendation.

This settlement of an embarrassing and serious situation proved most gratifying to the Commission, and we believe to the lessees of school lands within national forests.

FOREST SERVICE vs. STATE ADMINISTRATION.

In view not only of the new system provided by the Enabling Act for the administration of school lands within National Forests, but as well of the existing division of public opinion as to the wisdom and justice of federal administration of lands granted to the State, it may be well to discuss the plan provided by the Enabling Act, and its results as disclosed by the records and Commission's observation. It is not a subject for State legislation, and therefore will not be discussed from that standpoint, but from the standpoint of information to the public and for the possible effect of such information on Congressional legislation.

It is the Commission's well considered opinion that in all essential particulars Forest Service administration of forest school lands, as they are now scattered and isolated, is more efficient and more profitable to the State than State administration would be, and quite necessary if full effect is to be given to the national effort to conserve the Nation's resources. The State could not, without prohibitive expense, give attention to the school fund's valuable timber lands scattered through many hundreds of miles of great forests, nor apply the rules which have been found so effective in preserving and improving grazing conditions within the forests.

If the forest school lands were consolidated in a desirable body of timber they could be administered under regulations approximating in efficiency those now applied to the administration of national forests, and the return to the State would doubtless be greater, but in the absence of Congressional authority for such a consolidation,

the advantages of the present system of administration cannot be disputed.

By the terms of the Enabling Act the school fund of the State receives "such proportion of the gross proceeds of all the national forests within the State as the area of lands granted to the State for school purposes which are situated within said national forests, whether surveyed or unsurveyed, and for which no indemnity has been selected, may bear to the total area * * *."

The estimated area of school land within the forests, surveyed and unsurveyed, and for which no indemnity has been selected, is 1,397,357.59 acres, or a little less than one-ninth the total area of the forests in the State, which according to the latest and most accurate figures comprise 13,318,690 acres. As its proportion of the gross proceeds from these lands, the State has received, for the benefit of the common school fund, the following sums:

For the period from June 20, 1910, to June 30, 1910	$ 440.51
For the year ended June 30, 1911	16,285.68
For the year ended June 30, 1912	27,737.71
For the year ended June 30, 1913	36,226.65
Total	$80,690.55

The returns for the past year have not been received, but it is believed that they will reach $40,000.

It would be far from a conclusive argument, in support of the contention that the returns to the State are greater under Forest Service than under State administration, to point out that at the date of Statehood the school lands within the forests were earning a total of only $2,703.35 per annum, as against the figures above quoted, for there are now four sections where there were then but two, and returns are now being realized from sales of timber cut from school lands in common with the surrounding federal lands where prior to Statehood grazing leases afforded the only source of revenue, but there seems no other means by which the State could secure, from its forest school lands, a revenue equal to the present returns, while the school lands are so widely scattered. It should be borne in mind, also, that whereas the State is now receiving a share of the gross proceeds of the forests equal to all the school lands, whether surveyed or unsurveyed, under State administration, as the law now stands in other respects, its revenue would be restricted to the proceeds of surveyed sections.

There is only one other point to consider, and that is the question of service to the State's citizens residing upon or making use of lands within the forests. In the past there has been not a little criticism of Forest Service methods, and much complaint on the part of stockmen that the forest regulations entailed unfair and unnecessary hardships upon them. And while it appears that these complaints have been justified, to a greater or lesser extent, it now seems to be the general opinion among stockmen that the rough edges and errors of early-day forest regulations are being rapidly eliminated, and a much better service enjoyed by stockmen than was true when the range was free to all. It is unlikely that a considerable percentage of stockmen, whatever their objections in the past, would now exchange Forest Service supervision of the forests for State supervision, and still less for no supervision at all.

OTHER REVENUES FROM THE FORESTS.

It is perhaps not generally known that the State and the counties receive, directly and indirectly, forty-six per cent of the total gross receipts from all the National Forests within the State, all expenses of administration being paid by the federal government. This revenue is divided as follows: Twenty-five per cent of the gross receipts of the forests is paid to the various counties, in proportion to the forest area in each, for the joint benefit of the common schools and roads; ten per cent is expended upon the roads within the forests, under direction of the Secretary of Agriculture, and about eleven per cent, as heretofore stated, is paid to the State Treasurer as the proportion to which the school fund is entitled under the terms of the Enabling Act.

CLASSIFICATION.

AGRICULTURAL

Dry farm	74,245.53 acres
Dry farm and flood water	6,683.64 acres
Dry farm and pumping	28,392.42 acres
Dry farm, flood water and pumping	6,964.56 acres
Dry farm, woodland and grazing	320.00 acres
Pumping only	112,566.81 acres
Cultivated by irrigation	20,564.96 acres
Susceptible of irrigation by storage or diversion	53,595.70 acres
Woodland and grazing	142,869.48 acres
Grazing only	1,128,461.61 acres
Gravel	272.00 acres
Waste	5,098.75 acres
Total	1,580,035.46 acres

RECAPITULATION.

Total susceptible of some form of agricultural development	303,333.62 acres
Other classes, not susceptible of agricultural development	1,276.701.84 acres
Total	1,580,035.46 acres

WOODLAND

Woodland, dry farm and grazing	320.00 acres
Woodland and grazing	142,869.48 acres
Grazing land, having neither woodland nor agricultural value	1,128,461.61 acres
Agricultural land, having neither woodland nor grazing value	24,684.69 acres
Agricultural land, having grazing but no woodland value	278,328.93 acres
Gravel	272.00 acres
Waste	5,098.75 acres
Total	1,580,035.46 acres

RECAPITULATION.

Total having woodland value	143,189.48 acers
Other classes, having no woodland value	1,436,845.98 acres
Total	1,580,035.46 acres

GRAZING

Extra good	31,782.62	acres
Good	559,569.08	acres
Medium	433,855.01	acres
Poor	381,583.83	acres
Grazing and woodland	143,189.48	acres
Agricultural only	24,684.69	acres
Gravel	272.00	acres
Waste	5,098.75	acres
Total	1,580,035.46	acres

RECAPITULATION.

Total having a grazing value	1,549,980.02	acres
Other classes, having no grazing value	24,956.69	acres
Waste	5,098.75	acres
Total	1,580,035.46	acres

DISTRIBUTION, SHOWING PRESENT STATUS OF SECTIONS 2, 16, 32 AND 36.

TABLE V

	Acres
In National forests	1,397,357.59
In Indian reservations	1,746,860.01
In other reservations	76,164.11
Unsurveyed and unreserved	3,134,555.20
Appropriated by U. S. entry, subject to indemnity	168,707.62
In place, not leased	1,184,985.52
In place, under lease or permit	395,049.95
Total	8,103,680.00

ACREAGE AND VALUE.

TABLE VI

Counties	Acres	Value	Value of Improvements
Apache	229,129.79	$ 349,022.27	$ 14,361.60
Cochise	204,694.49	624,688.00	78,766.60
Coconino	94,167.49	160,030.00	3,540.00
Gila	2,175.80	2,723.00	
Graham	81,560.30	250,248.08	96,694.81
Greenlee	12,786.72	26,534.67	5,594.35
Maricopa	143,127.27	1,830,894.70	488,463.78
Mohave	88,565.03	129,554.00	
Navajo	215,817.18	333,085.61	79,337.08
Pima	149,560.70	483,153.00	22,629.75
Pinal	108,751.45	458,056.00	10,660.00
Santa Cruz	19,173.53	148,435.00	18,129.00
Yavapai	125,571.43	303,465.46	14,879.00
Yuma	104,954.28	1,166,616.00	15,920.50
	1,580,035.46	$6,266,505.79	$848,976.47

Total value of school lands and improvements $7,115,482.26

SEGREGATION OF IMPROVEMENTS.

TABLE VII

County	Structures	Windmills, Tanks, etc.	Ditches, Canals, etc.	Clearing and Leveling	Fencing	Perennial Crops	Water Rights
Apache	$ 2,560.00	$ 4,085.00	$ 110.00	$ 435.00	$ 6,246.60	$ 50.00	$ 875.00
Cochise	44,550.00	10,570.00	1,145.00	1,560.00	20,941.60		
Coconino	350.00	2,600.00			390.00		
Gila							
Graham	25,780.00	3,960.00	1,787.00	19,838.00	6,232.81	4,540.00	34,557.00
Greenlee	745.00	180.00	413.35	2,562.00	337.00	797.00	560.00
Maricopa	124,256.65	22,001.00	17,908.76	177,553.50	38,404.27	75,649.60	32,690.00
Mohave							
Navajo	46,214.00	7,252.00	557.00	3,813.08	14,801.00	4,700.00	2,000.00
Pima	5,795.00	3,757.75	1,045.00	6,157.00	5,575.00	300.00	
Pinal	3,500.00	280.00	960.00	3,400.00	2,520.00		
Santa Cruz	9,780.00	1,615.00	500.00	2,214.00	3,920.00	100.00	
Yavapai	2,060.00	3,605.00	325.00	1,115.00	3,374.00	4,400.00	
Yuma	3,405.00	213.50	575.00	9,948.00	909.00	870.00	
	$269,195.65	$60,119.25	$25,326.11	$228,595.58	$103,651.28	$91,406.60	$70,682.00

STATUS OF LEASED LAND AT DATE OF STATEHOOD.

TABLE VIII

	No.	Rental.	Acres.	No.	Rental.	Acres.
APACHE COUNTY.						
Leases intact date of Statehood				75	903.50	40,959.30
Cancellations: Forest..	21	336.00	12,860.00			
Leases subject to permit				54	567.50	28,099.30
COCHISE COUNTY.						
Leases intact date of Statehood				187	3,558.50	113,664.34
Cancellations: Forest..	8	150.00	4,800.00			
Unsurveyed	56	1,050.00	33,580.60	64	1,200.00	38,380.60
Leases subject to permit				123	2,358.50	75,283.74
COCONINO COUNTY.						
Leases intact date of Statehood				200	1,905.00	122,880.00
Cancellations: Forest..	148	1,395.00	90,240.00			
Unsurveyed	27	270.00	17,280.00	175	1,665.00	107,520.00
Leases subject to permit				25	240.00	15,360.00
GILA COUNTY.						
Leases intact date of Statehood				4	224.50	820.00
Cancellations: Forest..	3	119.50	800.00	3	119.50	800.00
Leases subject to permit				1	5.00	20.00
GRAHAM COUNTY.						
Leases intact date of Statehood				87	1,227.55	16,739.99
Cancellations: Forest..	1	3.15	80.00			
Unsurveyed	4	85.00	2,560.00	5	88.15	2,640.00
Leases subject to permit				82	1,139.40	14,099.99
GREENLEE COUNTY.						
Leases intact date of Statehood				7	144.60	2,283.17
Cancellations: Unsurveyed	2	40.00	1,280.00	2	40.00	1,280.00
Leases subject to permit				5	104.60	1,003.17

STATUS OF LEASED LAND AT DATE OF STATEHOOD.

MARICOPA COUNTY.

Leases intact date of Statehood				283	7,126.76	32,428.59
Cancellations: Forest..	1	40.70	640.00	1	40.70	640.00
Leases subject to permit				282	7,086.06	31,788.59

MOHAVE COUNTY.

Leases intact date of Statehood				3	40.00	1,280.00
Leases subject to permit				3	40.00	1,280.00

NAVAJO COUNTY.

Leases intact date of Statehood				60	830.10	34,640.00
Cancellations: Forest..	13	179.00	6,240.00			
Unsurveyed	2	35.00	1,280.00			
Indian Reserves....	3	40.00	1,760.00	18	254.00	9,280.00
				42	576.10	25,360.00

PIMA COUNTY.

Leases intact date of Statehood				38	520.00	13,600.40
Cancellations: Unsurveyed	1	20.00	640.00	1	20.00	640.00
Leases subject to permit				37	500.00	12,960.40

PINAL COUNTY.

Leases intact date of Statehood				32	1,015.70	13,102.21
Cancellations: Forest..	1	32.00	640.00	1	32.00	640.00
Leases subject to permit				31	983.70	12,462.21

SANTA CRUZ COUNTY.

Leases intact date of Statehood				15	516.00	8,457.24
Cancellations: Forest..	4	128.00	2,560.00			
Baca Float	2	120.00	1,280.00	6	248.00	3,840.00
Leases subject to permit				9	268.00	4,617.24

STATUS OF LEASED LAND AT DATE OF STATEHOOD.

YAVAPAI COUNTY.

Leases intact date of Statehood				77	1,368.30	40,560.00
Cancellations: Forest..	19	320.00	10,080.00			
Unsurveyed	4	88.00	2,480.00	23	408.00	12,560.00
Leases subject to permit				54	960.30	28,000.00

YUMA COUNTY.

Leases intact date of Statehood				58	1,468.23	14,658.70
Leases subject to permit				58	1,468.23	14,658.70

RECAPITULATION

	No.	Rental.	Acres.	No.	Rental.	Acres.
Lease intact date of Statehood				1126	20,848.74	456,073.94
Cancellations: Forest..	219	2,703.35	128,940.00			
Unsurveyed	96	1,588.00	59,100.60			
Indian Reserves....	3	40.00	1,760.00			
Private land grants	2	120.00	1,280.00	320	4,451.35	191,080.60
Leases subject to permit				806	16,397.39	264,993.34

TABLE IX SCHOOL LANDS—RECEIPTS AND EARNING POWER—APACHE COUNTY

	February 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties			13.60					149.60		
Received by Commission			22.06					242.79		
Receipts for permits issued	36		35.66	17,179.30		36		392.39	17,179.30	
Applications pending:										
Received account rental	5		4.10	3,200.00		5		45.10	3,200.00	
Due on pending applications		2.09					23.06			
Delinquent										
Relinquishments and cancellations	1	.83		640.00		1	10.00		640.00	
Not applied for	12	10.00		7,080.00		12	120.00		7,080.00	
Leases intact date of Statehood	54			28,099.30		54			28,099.30	
Total cash receipts			49.76		49.76			437.49		
Earnings not received		12.92			12.92		153.06			153.06
Gross earning power since Statehood					62.68					590.55

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Received by Commission			558.80							
Overpayment to counties								440.42		
Receipts for permits issued	32		558.80	14,619.30		26		440.42	11,359.30	
Applications pending:										
Received account rental	4		110.00	2,560.00						
Due on pending applications										
Delinquent	5	100.00		3,200.00		15	306.40		9,020.00	
Relinquishments and cancellations	1	20.00		640.00		1	20.00		640.00	
Not applied for	12	240.00		7,080.00		12	240.00		7,080.00	
Leases intact date of Statehood	54			28,099.30		54			28,099.30	
Total cash receipts			668.80		668.80			440.42		440.42
Earnings not received		360.00			360.00		566.40			566.40
Gross earning power since Statehood					1,028.80					1,006.82

TABLE IX SCHOOL LANDS—RECEIPTS AND EARNING POWER—COCHISE COUNTY

	Feb. 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issues:										
Overpayment to counties			84.20					926.24		
Received by Commission			113.56					1,249.15		
Receipts for permits issued	93		197.76	56 883.74		93		2,175.39	56,883.74	
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent										
Relinquishments and cancellations	4	5.83		2.240.00		4	70.00		2,240.00	
Not applied for	26	40.83		16,160.00		26	490.00		16,160.00	
Leases intact date of Statehood	123			75,283.74		125			75,283.74	
Total cash receipts			197.76		197.76			2,175.39		2,175.39
Earnings not received		46.66			46.46		560.00			560.00
Gross earning power since Statehood					244.42					2,735.39

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission			1,804.65					1,559.90		
Receipts for permits issued	88		1 804.65	54,003.74		77		1,559.90	46,963.74	
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent	3	60.00		1,920.00		14	280.00		8,960.00	
Relinquishments and cancellations	6	100.00		3,200.00		6	100.00		3,200.00	
Not applied for	26	505.00		16,160.00		26	505.00		16,160.00	
Leases intact date of Statehood	123			75,283.74		123			75,283.74	
Total cash receipts			1,804.65		1,804.65			1,559.90		1 559.90
Earnings not received		665.00			665.00		885.00			885.00
Gross earning power since Statehood					2,469.65					2,444.90

TABLE IX

SCHOOL LANDS—RECEIPTS AND EARNING POWER—COCONINO COUNTY

	February 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					RECEIPTS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued										
Overpayment to counties			2.50					11.02		
Received by Commission			27.50					121.24		
Receipts for permits issued	11		30.00	6,400.00		11		132.26	6,400.00	
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent										
Relinquishments and cancellations	1	.83		640.00		1	10.00		640.00	
Not applied for	13	10.83		8,320.00		13	130.00		8,320.00	
Leases intact date of Statehood	25			15,360.00		25			15,360.00	
Total cash receipts			30.00		30.00			132.26		132.26
Earnings not received		11.66			11.66		140.00			140.00
Gross earning power since Statehood					41.66					272.26

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued										
Overpayment to counties										
Received by Commission			240.00					19[illegible]		
Receipts for permits issued	11		240.00	6,400.00		9		1[illegible]	5,440.00	
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent						2	30.00		960.00	
Relinquishments and cancellations	1	20.00		640.00		1	20.00		640.00	
Not applied for	13	260.00		8,320.00		13	260.00		8,320.00	
Leases intact date of Statehood	25			15,360.00		25			15,360.00	
Total cash receipts			240.00		240.00			190.00		190.00
Earnings not received		280.00			280.00		310.00			310.00
Gross earning power since Statehood					520.00					500.00

TABLE IX SCHOOL LANDS—RECEIPTS AND EARNING POWER—GILA COUNTY—

	February 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission										
Receipts for permits issued										
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent										
Total cash receipts										
Relinquishments and cancellations										
Not applied for	1	.42		20		1	5.00		20	
Earnings not received		.42			.42		5.00			5.00
Gross earning power since Statehood					.42					5.00

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission										
Receipts for permits issued										
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent										
Relinquishments and cancellations										
Not applied for	1	5.00		20		1	5.00		20	
Leases intact date of Statehood	1			20		1			20	
Total cash receipts					5.00		5.00			5.00
Earnings not received		5.00								
Gross earning power since Statehood					5.00					5.00

TABLE IX

SCHOOL LANDS—RECEIPTS AND EARNING POWER—GRAHAM COUNTY

	February 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued										
Overpayment to counties			14.57					160.26		
Received by Commission			168.49					1,853.39		
Receipts for permits issued	67		183.06	9,842.74		67		2,013.65	9,842.74	
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent										
Relinquishments and cancellations	7	8.02		2,920.00		7	96.25		2,920.00	
Not applied for	8	3.22		1,337.25		8	38.65		1,337.25	
Leases intact date of Statehood	82			14,099.99		82			14,099.99	
Total cash receipts			183.06		183.06			2,013.65		2,013.65
Earnings not received		11.24			11.24		134.90			134.90
Gross earning power since Statehood					194.30					2,148.55

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission			3,148.40					1,970.83		
Receipts for permits issued	62		3,148.40	9,019.24		41		1,970.83	7,209.74	
Applications pending:										
Received account rental	2		74.00	710.00		1		25.00	10.00	
Due pending applications										
Delinquent	3	32.55		113.50		25	1,153.17		2,623.00	
Relinquishments and cancellations	7	95.00		2,920.00		7	95.00		2,920.00	
Not applied for	8	46.25		1,337.25		8	46.25		1,337.25	
Leases intact date of Statehood	82			14,099.99		82			14,099.99	
Total cash receipts			3,222.40		3,222.40			1,995.83		1,995.83
Earnings not received		173.80			173.80		1,294.42			1,294.42
Gross earning power since Statehood					3,396.20					3,290.25

TABLE IX SCHOOL LANDS—RECEIPTS AND EARNING POWER—GREENLEE COUNTY

	February 14, 1912—March 15 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties			2.60					28.58		
Received by Commission			5.00					54.98		
Receipts for permits issued	4		7.60	923.17		4		83.56	923.17	
Applications pending:										
Due on pending applications										
Delinquent										
Received account rental										
Relinquishments and cancellations										
Not applied for	1	1.75		80.00		1	20.45		80.00	
Leases intact date of Statehood	5			1,003.17		5			1,003.17	
Total cash receipts			7.60		7.60			83.56		83.56
Earnings not received		1.75			1.75		20.45			20.45
Gross earning power since Statehood					9.35					114.01

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Applications pending:										
Overpayment to counties										
Received by Commission			84.00					84.00		
Receipts for permits issued	4		84.00	923.17		4		84.00	923.17	
Received account rental										
Due on pending applications										
Delinquent										
Relinquishments and cancellations										
Not applied for	1	20.45		80.00		1	20.45		80.00	
Leases intact date of Statehood	5			1,003.17		5			1,003.17	
Total cash receipts			84.00		84.00			84.00		84.00
Earnings not received		20.45			20.45		20.45			20.45
Gross earning power since Statehood					104.45					104.45

TABLE IX SCHOOL LANDS—RECEIPTS AND EARNING POWER—MARICOPA COUNTY

	Feb. 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties			119.14					1,429.21		
Received by Commission			584.92					7,019.18		
Receipts for permits issued	158		704.06	14,071.09		158		8,448.39	14,071.09	
Applications pending:										
Received account rental	2		25.65	302.00		2		307.81	302.00	
Due on pending applications	17	59.89		2,250.00		17	718.76		2,250.00	
Delinquent										
Relinquishments and cancellations	3	6.17		960.00		3	74.05		960.00	
Not applied for	102	187.58		14,205.50		102	2,250.96		14,205.50	
Leases intact date of Statehood	282			31,788.59		282			31,788.59	
Total cash receipts			729.71		729.71			8,756.20		8,756.20
Earnings not received		253.64			253.64		3,043.77			3,043.77
Gross earning power since Statehood					983.35					11,799.97

	March 16, 1913—March 15, 1914					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission			6,253.31					2,552.58		
Receipts for permits issued	107		6,253.31	9,505.59		59		2,552.58	4,342.59	
Applications pending:										
Received account rental	2		127.42	172.00						
Due on pending applications	1	81.50		80.00		1	44.00		40.00	
Delinquent	66	4,703.59		6,705.50		115	8,444.63		11,920.50	
Relinquishments and cancellations	4	149.88		1,120.00		5	129.38		1,280.00	
Not applied for	102	6,933.24		14,205.50		102	6,922.24		14,205.50	
Leases intact date of Statehood	282			31,788.59		282			31,788.59	
Total cash receipts			6,380.73		6,380.73			2,552.58		2,552.58
Earnings not received		11,868.21			11,868.21		15,540.25			15,540.25
Gross earning power since Statehood					18,248.94					18,092.83

TABLE IX

SCHOOL LANDS—RECEIPTS AND EARNING POWER—MOHAVE COUNTY

	February 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission										
Receipts for permits issued										
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent										
Relinquishments and cancellations										
Not applied for	3	3.33		1,280		3	40.00		1,280	
Leases intact date of Statehood	3			1,280		3			1,280	
Total cash receipts										
Earnings not received		3.33			3.33		40.00			4 0.00
Gross earning power since Statehood					3.33					40.00

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission										
Receipts for permits issued										
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent										
Relinquishments and cancellations										
Not applied for	3	60.00		1,280		3	60.00		1,280	
Leases intact date of Statehood	3			1,280		3			1,280	
Total cash receipts										
Earnings not received		60.00			60.00		60.00			60.00
Gross earning power since Statehood					60.00					60.00

TABLE IX

SCHOOL LANDS—RECEIPTS AND EARNING POWER—NAVAJO COUNTY

	February 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued										
Overpayment to Counties			13.36					146.95		
Received by Commission			20.05					220.56		
Receipts for permits issued	26		33.41	14,960.00		26		367.51	14,960.00	
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent										
Relinquishments and cancellations	2	1.92		1,280.00		2	21.08		1,280.00	
Not applied for	14	17.50		9,120.00		14	210.00		9,120.00	
Leases intact date of Statehood	42			25,360.00		42			25,360.00	
Total cash receipts			33.41		33.41			367.51		367.51
Earnings not received		19.42			19.42		231.08			231.08
Gross earning power since Statehood					52.83					598.59

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission			379.88					291.54		
Receipts for permits issued	18		379.88	9,840.00		14		291.54	7,760.00	
Applications pending:										
Received account rental	5		97.60	3,200.00		2		34.14	800.00	
Due on pending applications		1.80					11.30			
Delinquent	3	60.00		1,920.00		10	200.00		6,400.00	
Relinquishments and cancellations	2	40.00		1,280.00		2	40.00		1,280.00	
Not applied for	14	280.00		9,120.00		14	280.00		9,120.00	
Leases intact date of Statehood	42			25,360.00		42			25,360.00	
Total cash receipts			477.48		477.48			325.68		325.68
Earnings not received		381.80			381.80		531.30			531.30
Gross earning power since Statehood					859.28					856.98

TABLE IX SCHOOL LANDS—RECEIPTS AND EARNING POWER—PIMA COUNTY

	February 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties			32.42					356.68		
Received by Commission			12.00					132.03		
Receipt for permits issued	35		44.42	12,160.40		35		488.71	12,160.40	
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent										
Relinquishments and cancellations										
Not applied for	2	2.08		800.00		2	25.00		800.00	
Leases intact date of Statehood	37			12,960.40		37			12,960.40	
Total cash receipts			44.42		44.42			488.71		488.71
Earnings not received		2.08			2.08		25.00			25.00
Gross earning power since Statehood					46.50					513.71

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission			482.87					416.07		
Receipts for permits issued	28		482.87	9,080.40		19		416.07	6,672.40	
Applications pending:										
Received account rental	3		112.80	1,920.00						
Due on pending applications		1.60								
Delinquent	4	40.00		1,160.00		14	210.30		4,208.00	
Relinquishments and cancellations						2	95.00		1,280.00	
Not applied for	2	25.00		800.00		2	25.00		800.00	
Leases intact date of Statehood	37			12,960.40		37			12,960.40	
Total cash receipts			595.67		595.67			416.07		416.07
Earnings not received		66.60			66.60		330.30			330.30
Gross earning power since Statehood					662.27					746.37

TABLE IX **SCHOOL LANDS—RECEIPTS AND EARNING POWER—PINAL COUNTY**

	February 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties			9.57					105.25		
Received by Commission			12.17					99.38		
Receipts for permits issued	14		21.74	2,982.21		14		204.63	2.982.21	
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent										
Relinquishments and cancellations										
Not applied for	17	65.56		9,480.00		17	786.70		9,480.00	
Leases intact date of Statehood	31			12,462.21		31			12,462.21	
Total cash receipts			21.74		21.74			204.63		204.63
Earnings not received		65.56			65.56		786.70			786.70
Gross earning power since Statehood					87.30					991.33

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued										
Overpayment to counties										
Received by Commission			208.00					208.00		
Receipts for permits issued	11		208.00	2,500.00		11		208.00	2,500.00	
Applications pending:										
Received account rental	2		34.80	320.00		2		34.80	320.00	
Due on pending applications		20.20					20.20			
Delinquent										
Relinquishments and cancellations	1	10.00		162.21		4	146.00		1,762.21	
Not applied for	17	786.70		9,480.00		14	650.70		7,880.00	
Leases intact date of Statehood	31			12,462.21		31			12,462.21	
Total cash receipets			242.80		242.80			242.80		242.80
Earnings not received		816.90			816.90		816.90			816.90
Gross earning power since Statehood					1,059.70					1,059.90

TABLE IX SCHOOL LANDS—RECEIPTS AND EARNING POWER—SANTA CRUZ COUNTY

	February 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
	No.	EARNINGS Not Rec'd	EARNINGS Rec'd	Acres	Earning Power	No.	EARNINGS Not Rec'd	EARNINGS Rec'd	Acres	Earning Power
Permits issued										
Overpayment to counties			8.45					92.93		
Received by Commission			22.04					182.73		
Receipts for permits issued	9		30.49	4,617.24		9		275.66	4,617.24	
Applications pending:										
Received account rental										
Due on pending applications										
Relinquishments and cancellations										
Not applied for										
Leases intact date of Statehood	9			4,617.24		9			4,617.24	
Total cash receipts			30.49		30.49			275.66		275.66
Earnings not received										
Gross earning power since Statehood					30.49					275.66

	March 16, 1913—March 15,1914					March 16, 1914—March 15, 1915				
	No.	EARNINGS Not Rec'd	EARNINGS Rec'd	Acres	Earning Power	No.	EARNINGS Not Rec'd	EARNINGS Rec'd	Acres	Earning Power
Permits issued										
Overpayment to counties										
Received by Commission			440.00					100.00		
Receipts for permits issued	8		440.00	3,977.24		2		100.00	800.00	
Applications pending:										
Received account rental	1		60.00	640.00						
Due on pending applications										
Delinquent						7	309.00		3,817.24	
Relinquishments and cancellations										
Not applied for										
Leases intact date of Statehood	9			4,617.24		9			4 617.24	
Total cash receipts			500.00		500.00			100.00		100.00
Earnings not received							309.00			309.00
Gross earning power since Statehood					500.00					409.00

TABLE IX

SCHOOL LANDS—RECEIPTS AND EARNING POWER—YAVAPAI COUNTY

	February 14, 1912—March 15. 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued										
Overpayment to counties			33.91					372.99		
Received by Commission			39.22					430.51		
Receipts for permits issued	44		73.13	23,040.00		44		803.50	23,040.00	
Applications pending:										
Received account rental	1		.83	320.00		1		10.00	320.00	
Due on pending applications	1	1.66		640.00		1	20.00		640.00	
Delinquent										
Relinquishments and cancellations										
Not applied for	8	16.36		4,000.00		8	196.30		4,000.00	
Leases intact date of Statehood	54			28,000.00		54			28,000.00	
Total cash receipts			73.96		73.96			813.50		813.50
Earnings not received		18.02			18.02		216.30			216.30
Gross earning power since Statehood					91.98					1,029.80

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued										
Overpayment to counties										
Received by Commission			768.00					674.65		
Receipts for permits issued	41		768.00	21 440.00		34		674.65	18.360.00	
Applications pending:										
Received account rental	1		7.08	640.00		2		40.00	1,280.00	
Due on pending applications		12.92								
Delinquent	2	30.43		960.00		8	107.45		3,400.00	
Relinquishments and cancellations	2	30.00		960.00		2	30.00		960.00	
Not applied for	8	196.30		4,000.00		8	196.30		4,000.00	
Leases intact date of Statehood	54			28,000.00		54			28,000.00	
Total cash receipts			775.08		775.08			714.65		714.65
Earnings not received		269.65			269.65		333.75			333.75
Gross earning power since Statehood					1,044.73					1,048.40

TABLE IX

SCHOOL LANDS—RECEIPTS AND EARNING POWER—YUMA COUNTY

	February 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued										
Overpayment to counties			33.00					362.96		
Received by Commission			66.89					735.75		
Receipts for permits issued	35		99.89	6,469.41		35		1,098.71	6,469.41	
Applications pending:										
Received account rental										
Due on pending applications										
Delinquent										
Relinquishments and cancellations	22	18.00		7,869.29		22	216.00		7,869.29	
Not applied for	1	4.17		320		1	45.83		320.00	
Leases intact date Statehood	58			14,658.70		58			14,658.70	
Total cash receipts			99.89		99.89			1,098.71		1,098.71
Earnings not received		22.17			22.17		261.83			261.83
Gross earning power since Statehood					122.06					1,360.54

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission			941.40					612.50		
Receipts for permits issued	26		941.40	4,469.41		18		612.50	3,079.42	
Applications pending:										
Received account rental	6		41.00	880.00						
Due on pending applications		101.66								
Delinquent	3	260.00		1,120.00		17	710.06		3,389.99	
Relinquishments and cancellations	22	704.20		7 869.29		22	704.20		7,869.29	
Not applied for	1	141.20		320.00		1	141.20		320.00	
Leases intact date of Statehood	58			14,658.70		58			14,658.70	
Total cash receipts			982.40		982.40			612.50		612.50
Earnings not received		1,207.06			1,207.06		1,555.46			1,555.46
Gross earning power since Statehood					2,189.46					2,167.96

TABLE X

RECAPITULATION OF SCHOOL LAND RECEPITS AND EARNING POWER

	Feb. 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued										
Overpayment to counties			367.32					4,142.67		
Received by Commission			1,093.90					12,341.69		
Receipts for permits issued	532		1,461.22	169,529.30		532		16,484.36	169,529.30	
Applications pending										
Received account rental	8		30.50	3.822.00		8		362.91	3,822.00	
Due on pending applications	18	63.64		2,890.00		18	761.82		2,890.00	
Delinquent										
Relinqui hments and cancellation	40	41.60		16,549.29		40	497.38		16,549.29	
Not applied for	208	363.63		72,202.75		208	4,358.89		72,202.75	
Leases intact date of Statehood	806			264,993.34		806			264,993.34	
Total cash receipts			1,491.80		1,491.80			16,847.27		16,847.27
Earnings not received		468.87			468.87		5,618.09			5,618.09
Gross earning power since Statehood					1,960.67					22,465.36

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission			15,309.31					9,100.49		
Receipts for permits issued	436		15,309.31	145,778.09		314		9,100.49	115,370.36	
Applications pending:										
Received account rental	26		664.70	11,042.00		7		133.94	2,410.00	
Due on pending applications	1	219.68		80.00		1	75.50		40.00	
Delinquent	89	5,286.57		17,099.00		227	11,751.01		54,738.73	
Relinquishments and cancellations	46	1,169.08		18,791.50		52	1,379.58		21,831.50	
Not applied for	208	9,499.14		72 202.75		205	9,352.14		70,602.75	
Leases intact date of Statehood	806			264,993.34		806			264.993.34	
Total cash receipts			15,974.01		15,974.01			9 234.43		9,234.43
Earnings not received		16,174.47			16,174.47		22,558.23			22,558.23
Gross earning power since stateh'd					32,148.48					31,792.66

SCHOOL LANDS—RECEIPTS AND EARNING POWER BY COUNTIES.

February 14, 1912—March 15, 1915

TABLE XI

RECAPITULATION.

Counties	No.	Acreage	Receipts			Earnings Not Received				Total Earning Power
			Receipts for Permits Retained by Counties	Receipts for Permits Received by Commission	Received on Pending Applications	Due on Pending Applications	Delinquent	Relinquishments and Cancellations	Not Applied for	
Apache	54	28,099.30	163.20	1,264.07	159.20	25.15	406.40	50.83	610.00	2,678.85
Cochise	123	75,283.74	1,010.44	4,727.26			340.00	275.83	1,540.83	7,894.36
Coconino	25	15,360.00	13.52	578.74			30.00	50.83	660.83	1,333.92
Gila	1	20.00							15.42	15.42
Graham	82	14,099.99	174.83	7,141.11	99.00		1,185.72	294.27	134.37	9,029.30
Greenlee	5	1,003.17	31.18	227.98					63.10	322.26
Maricopa	282	31,788.59	1,548.35	16,409.99	460.88	904.15	13,148.22	359.48	16,294.02	49,125.09
Mohave	3	1,280.00							163.33	163.33
Navajo	42	25,360.00	160.31	912.03	131.74	13.10	260.00	103.00	787.50	2,367.68
Pima	37	12,960.40	389.10	1,042.97	112.80	1.60	250.30	95.00	77.08	1,968.85
Pinal	31	12,462.21	114.82	527.55	69.60	40.40		156.00	2,289.06	3,198.03
Santa Cruz	9	4,617.24	101.38	744.77	60.00		309.00			1,215.15
Yavapai	54	28,000.00	406.90	1,912.38	57.91	34.58	137.88	60.00	605.26	3,214.91
Yuma	58	14,658.70	395.96	2,356.54	41.00	101.66	970.06	1,642.40	332.40	5,840.02
Total	806	264,993.34	4,509.99	37,845.39	1,192.13	1,120.64	17,037.58	3,087.64	23,573.80	88,367.17

Total earnings received	43,547.51
Total earnings not received	44,819.66
Gross earning power	88,367.17

SCHOOL LAND LEASES

TABLE XII

(Act of May 17, 1913.)

County	APPLICATIONS Granted No.	Granted Acres	Rejected No.	Rejected Acres	Pending No.	Pending Acres	Rentals To Mch. 16 '14 Mch. 15 1914	Mch. 16 '14 Mch. 15 '15	Total
Apache	20	11,600.47	8	3,382.04	6	2,387.45	70.63	370.53	441.16
Cochise	72	39 632.88	76	44,494.75	12	5,887.05	436.17	1,306.21	1,742.38
Coconino	11	7,400.64	4	2,560.00	2	1,280.00	40.34	219.00	259.34
Maricopa	9	2,596.79	15	2,546.36	17	2,524.00	56.78	191.61	248.39
Gila									
Graham	6	2,478.50	7	3,243.00	4	1,860.48	24.57	95.57	120.14
Greenlee	1	640.00	1	640.00	1	640.00	3.80	20.00	23.80
Mohave	2	1,282.28	1	640.00	1	640.00	6.22	39.13	45.35
Navajo	16	9,307.16	9	5,280.00	5	2,400.00	130.68	303.88	434.56
Pima	33	19,987.12	13	6,080.00	6	3,560.46	181.81	646.15	827.96
Pinal	7	2,302.63	11	5,960.00	2	1,280.00	37.82	94.15	131.97
Santa Cruz	5	2,149.04	7	2,575.71	4	1,659.16	19.75	102.95	122.70
Yavapai	46	23,048.78	23	13,125.20	10	5,797.69	280.39	762.14	1,042.53
Yuma	4	1,450.00	1	639.54			11.83	50.50	62.33
Total	232	123,876.29	176	91,166.60	70	29,916.29	1,300.79	4,201.82	5,502.61

SALT RIVER VALLEY SCHOOL LANDS

The school lands in the Salt River Valley of Maricopa county, and particularly those within the area of the Salt River Valley reclamation project, occupy a unique and distinct position. They comprise the most valuable body of school lands in the State and present the most serious complications willed by the Territory. The task of adjudicating the claims for improvements on these lands, complicated as it is by the attitude of a considerable number of the occupants and former lessees, constitutes a problem, or a series of problems, of numerous curves and angles. Its solution has a direct bearing upon and is inextricably bound up in the determination of the exceedingly important question as to what the future status of these lands shall be.

Under the Salt River Valley reclamation project there is 13,003.59 acres of school land, which, at the date of Statehood, was held under lease by 202 lessees.

That this is the most valuable body of land, of similar area, in the State, and that its careful and business-like administration and disposition are of immense importance to the common school fund, for the benefit of which it was granted by the federal government, is evidenced by its net value, which separate and apart from improvements is, according to the Commission's appraisal, $1,257,426.70. That "the equitable adjustment of the reciprocal rights of the lessee, residing on any of said land, and of the State" (See Paragraph 4566, Chapter 1, Title 43, Revised Statutes 1913) is a consideration of magnitude may be sensed from the fact that the Commission's appraisal of improvements on the lands within the boundaries of the project, held under leases intact at the date of Statehood, discloses the astonishing total of $379,343.23. These figures are materially increased by the addition of 1,496 acres of school land under the Tempe canal, which is independent of the Salt River project. This land is worth $146,975, and the improvements on it are estimated at

$42,363.65, or a total of $1,404,401.70 for land and $421,706.88 for improvements on school land in Salt River Valley.

In this estimate no account has been taken of the water appropriations and privileges appurtenant to the land. The matter of water appropriations will be considered separately and with considerable particularity, since it constitutes one of the most important and delicate issues of the entire subject, and upon it largely hinges, not only the measure of the "reciprocal rights of the lessees residing upon any of said land" but the course, as well, which it will be necessary to follow in effecting an adjustment of such rights.

HISTORY.

Settlement upon these lands, which were reserved for the benefit of common schools by the Act of February 24, 1863 (12 U. S. Stats., 665), but which the Territory of Arizona had no authority to lease or otherwise administer until April 7, 1896 (29 U. S. Stats., 90), begun as early as the year 1870. In 1867 work was instituted on the oldest of the irrigating ditches of the Valley still in service, known as the Swilling ditch. In 1869 this ditch was extended, and its name changed to the Salt River Valley canal, by which name, as a part of the system of the Salt River Valley project, it is still known. In the following year, 1870, water from this canal was delivered to a small tract of school land, occupied by a squatter, and the acreage of school land so watered, from the Salt, Maricopa, Grand and Arizona canals, which in the order named, were constructed on the north side of the Salt river, and from the Tempe, Mesa, Utah, High Land and Consolidated canals, on the south side of the river, grew steadily. It is estimated that by 1896, when Congress authorized the Territorial Legislature to enact laws for the leasing of the land reserved for common schools, not less than 4,440 acres of the school land on the north side of the river, and at least 2,870 on the south side was under cultivation by squatters, who for varying periods had occupied the land without warrant whatsoever, and had enjoyed the fruits thereof without the payment of either rental or taxes.

From 1896 to 1910, when the well known "Kent decree," by which the important question of the priority of water appropriations, affecting all of the lands in the Valley that had been cultivated with

reasonable continuity, was promulgated, 1885 acres additional of school land—all on the north side of the river—was placed in cultivation and established a certain right to the normal flow of the Salt river.

By the Act of April 7, 1896, heretofore referred to, the Governor, Secretary of the Territory and Superintendent of Public Instruction were authorized, pending the enactment of laws and regulations for the leasing of school and university lands in the Territory, to lease the same under rules and regulations prepared by the Secretary of the Interior. It is not known definitely whether these officials exercised their prerogative or not, but there is nothing to indicate that they did.

By an Act approved March 18, 1897 (Title 65, Civil Code of Arizona, 1901), the Territorial Legislature provided for the leasing of school lands, and the squatters who had previously occupied and placed improvements on them were given a preferred right. In case they failed or refused to lease, and others wished to do so, their improvements were to be appraised in a manner provided by law and paid for by the lessee. Improvements were described as being "anything permanent in character, the result of labor or capital expended on such land in its reclamation or development, and the appropriation of water thereon, which has enhanced the value of the same beyond what said land would be worth had it been permitted to remain in its original state."

By an addendum to this school land leasing law, enacted in 1897, provision was made that "anyone making permanent improvements after leasing shall be allowed compensation therefor at the expiration of their lease, or anyone having to surrender their land before the expiration of their lease shall be entitled to all the benefits of this section."

No method of complying with the last quoted section was ever provided, nor is there any evidence that it was ever invoked. It appears to have been a rather misfit addition to a law which in its other parts was at least coherent and harmonious.

The status described was maintained until Statehood, when the First Legislature, recognizing the necessity of an "equitable adjustment of the reciprocal rights of the lessee, residing on any of said

land, and of the State," authorized and directed the issuing of permits for the further occupancy of the school lands held under Territorial lease, pending the securing of data and the formulation of a plan whereby such an adjustment might be effected. Of the Territorial leases under the Salt River Valley reclamation project, which comprises the Salt, Maricopa, Grand and Arizona canals on the north side, and the Mesa, Utah, Highland, Consolidated and other canals on the south side, and under the Tempe canal, which is inedpendent, 133 lessees have complied with the law, made application and secured permits, while seventy-five have failed to do so.

REASONS FOR FAILURE TO SECURE PERMITS.

Many reasons are assigned by the delinquent lessees for their failure to comply with the law, and many views are expressed as to the measure of the rights of those having improvements. However, the generally adopted course of reasoning by which the lessees explain and justify their position, is that by the terms of the Act of Congress authorizing the leasing of school lands all leases expired with Statehood; that the State Constitution directed the Legislature to provide for the reimbursement of the actual bona fide residents or lessees of school lands for their improvements, as prescribed by Title 65, Civil Code of Arizona, 1901; and that Title 65 of the Civil Code of Arizona, 1901, provided for the compensating of lessees upon the expiration of their leases. Therefore, the leases having expired, the lessees demand the compensation provided by Territorial law and guaranteed by the Constitution, and pending such reimbursement no new contract, even though it specifically recognize and contain all the guarantees of the law, will be entered into.

It is not necessary to here discuss the provisions of the Act of Congress, of Title 65 of the Civil Code of 1901, and of the State Constitution, upon which the lessees rely for justification and support, nor will the Commission's interpretation of those provisions be set forth at this time. The present purpose is merely to describe the status of the school lands of Salt River Valley, and the attitude of those holding certain equities in them.

It is evident to the Commission that the underlying motive—in fact, in many cases the frankly expressed motive—of the delinquent

lessees, is by their action to influence or induce legislation, not merely designed to provide reimbursement for their improvements, but to authorize the sale of the lands containing such improvements. It follows, logically and no less naturally, that the plan of the lessees is not without anticipation that the advantages of the law will afford them opportunity to purchase the land upon which their improvements are situated, at extremely favorable prices and on liberal terms.

The theory upon which at least some of the lessees base their hopes and aims of ultimate ownership is that their improvements, under the interpretation they place upon the Territorial statute heretofore quoted defining improvements, represent the difference between the value of the land in its original state and its value at the present time. Following this theory through its most definitely marked channel it is found that those who hold it contend that the appropriation and maintenance of water upon the school land they occupy or have heretofore leased constitutes the chief and practically the only source of its enhancement in value, and that they, as the lessees or successors of the lessees who made such appropriation or application of the water to the land, and who have maintained intact the rights accruing from such appropriation, are therefore entitled to the entire enhancement in value which the land has enjoyed.

Though in hearty sympathy with the desire of the bona fide occupants of these lands to own the homes they have made, and to which through years of labor they have become attached, and earnestly hopeful that they shall be accorded every reasonable consideration within the law, it is needless to say that the Commission cannot accord with this interpretation of the statutory definition of improvements. The establishment of such an interpretation would bring results far without the bounds of reason, and spell an irretrievable and unjustifiable loss to the common school fund of the State. Both the technical arguments and the natural objections to such an interpretation are too obvious to be repeated.

METHODS OF WATER APPROPRIATIONS.

Thus it will be seen that the subject of water appropriations is closely linked with that of improvements, and according to the

claims of the lessees at least, must be accorded consideration in connection with the adjustment of the lessees' rights. It will perhaps conduce to a clearer understanding of the situation, therefore, to present a brief outline of the processes by which this improvement, if such it should be determined to be within the meaning and final interpretation of the law, was attached to the school lands of Salt River valley.

The earliest diversion of water from the Salt river, of which cognizance has been taken by the courts in establishing the dates and priority of appropriations, occurred in 1869, when the Salt River Valley canal, started in 1867 as the Swilling ditch, began the delivery of water. The construction of this canal was closely followed by that of the Maricopa canal, and in 1875 the two were joined in the incorporation of a single company. Other north side canals were the Grand, taken out in 1875, and the Arizona in 1883, while on the south side of the river the Tempe canal was taken out as early as 1870, the Utah in 1877, the Mesa in 1878, the Highland in 1888, the Consolidated in 1891, and a few other ditches at divers times, which it is unnecessary to mention since they delivered no water to school lands. All of the canals named, beginning with the Salt in 1870, delivered water in increasing amount almost every year, to lands which by the Act of February 24, 1863, had been reserved for the benefit of the common schools, although, as heretofore stated, there was no authorization by Congress for the occupancy of these lands until April 7, 1896, and no plan of leasing provided by the Territorial Legislature until March 18, 1897. That the occupancy of school lands without authority came into no little popularity is shown by the fact, heretofore set forth, that by 1896 at least 4,400 acres on the north side of the river and not less than 2,870 on the south side had been placed under irrigation through the medium of the canals named.

A search of the records discloses that the methods of organizing and operating the various canals of the Valley varied, and this is of course correspondingly true of the methods and means by which the right to the use of water from them was secured by the occupants of the lands reserved for common schools.

No authentic information has been secured as to the plan under which division was effected of the waters diverted by the Salt and Maricopa canals from their construction up to 1875, when they were

incorporated. It is likely, however, that they were loosely constructed co-operative organizations in which settlers largely if not wholly shared the expense and the benefits without the exercise of great care as to detail. In 1875, however, the Salt River Valley Canal Company was incorporated, and the plan of the corporation is made clear by its articles and other records. The company's shares were fixed at a par value of $500 each, which were distributed among the owners of the Swilling ditch in proportion to their respective holdings. It was not for many years that the treasury stock of the company, or such stock as may have been transferred by shareholders, sold as high as par, a record of the year 1882 showing the sale of three shares at $325 each. Neither does it appear that the ownership of stock was at first essential to the securing of water, its only advantage, aside from the profits it might earn, being to insure the holder a lower price for water. The price fixed for water in 1875 was $1.50 per miner's inch for stockholders, and this price was gradually increased, running from $2 to $2.50 for stockholders, and from $2.25 to $3 for non-shareholders. In 1885, however, when water was evidently becoming very scarce, a resolution was adopted providing that water should be sold only to stockholders, and not more than eighty miner's inches to one share. This was increased in the following year to 100 inches per share.

Apparently up until about the year 1889 or 1890, when the Arizona Development Company, owning and operating the Arizona canal, construction of which began in 1883, secured control of the Salt, Maricopa and Grand canals, water was not considered to be necessarily appurtenant to any particular land. An owner would therefore apply it to any land he chose, or if he wished, first to one tract and then to another. In fact he might, and occasionally did, rent his water to another, and despite the prohibition against the sale of water to non-stockholders it sometimes happened that a stockholder would rent his water to a non-stockholder. The right to the water, as well as the water itself, was a commodity to be trafficked in as other commodities, and peculiar and changing conditions, as will be hereafter seen, caused the raising and lowering of water right values in a wholly abnormal and unnatural manner—a fluctuation which is impossible when the water becomes a fixed appurtenant to the land.

What has been said of the plan of operating the Salt River

Valley canal seems to be generally applicable to the Maricopa, which consolidated with the Salt in 1875, the water for both being taken from what was known as the "Joint Head," and the Grand, upon which work began in 1878, and which was designed for the watering of land north and west of the Salt and Maricopa.

In 1883 the Arizona canal was begun, and was operated by the Arizona Development Company on a basis quite different. The stock of the company, which at a capitalization of $1,000,000 was highly watered, nevertheless conveyed no right to the delivery or use of water. This depended partly upon the possession of a water right, which the company sold at prices ranging from $6.25 to $10 per acre, or rented to those who did not care to purchase, and still more upon the stage of the river, which by this time was being called upon for performances beyond its capacity. In 1889 or 1890 the Arizona Development Company secured the control of all the other canals on the north side of the river, and gradually they came to be operated on the plan adopted for the Arizona, the stock in them being retained by the Arizona Development Company and water rights being sold to the prior owners of the Salt, Maricopa and Grand.

On the south side of the river, under the Utah, Mesa, Highland and Consolidated canals, which, with those on the north side, were later taken over by the United States Reclamation Service, and under the Tempe canal, which was not taken over and has never become a part of the government project, the right to water was based on canal stock, a share of such being equivalent to a right to the use of a given number of miner's inches of water. The shares of stock were transferable, both as between individuals and as between the land upon which the water was placed, or could be rented, until in the case of the Tempe canal the rights became so valuable, following the consolidation of all other canals in the Valley under the government project, with certain quite distinct advantages accruing to the latter, that the owners of stock became unwilling to separate it from their land.

From this statement it will be seen that there were several methods by which an occupant of school land might have secured the application of water thereto, upon which dependence is now

placed as a basis of reimbursement for improvements. He might have been an original participant in the construction of a canal, and thus secured a proportionate share in its benefits; he might have purchased stock, with its attendant right to the use of water, or in the case of lands under the Arizona, purchased or rented a water right; he might, as many did, have purchased water as a non-stockholder, at a slight increase over the charge made to stockholders, or he might have rented a share of stock. All of these methods were in vogue, and in order to determine in each case, if that should become necessary, by which plan water was originally placed upon the school land under these canals, the cost of the method or the value at that time of the stock or water right, as the case might be, evidence would have to be taken, and a more exhaustive investigation entered into than it has been expedient or thought necessary for the Commission to make.

In connection with the varying and fluctuating values of water rights, or of the stock which in most of the canals was up to a comparatively late date equivalent to a water right, a seemingly paradoxical condition appears. During the entire period from 1869 to 1907, when all the canals on the north side and some of those on the south side were taken over by the United States Reclamation Service, there was a constant expansion of the canals and steadily widening distribution of waters of the Salt river. As the area of land which each canal was endeavoring to reclaim increased, the securing of an adequate supply of water for any of the land became more difficult, the raising of successful crops more and more uncertain, the business of farming fraught with greater hazards, and the water rights or water stock which served as the basis of distribution were, under the prevailing system of easy transfer both as to ownership and land, really worth less than formerly. Under the delusion, however, that more water rights or stock meant more water the demand therefor increased, and market values advanced until in the period of the greatest activity in stocks and rights and the greatest stress in actual water conditions, shares in the north side canals with a par value of $500 each sold as high as $5,000 or $6,000, and in some cases probably even higher. As will be later seen these values deteriorated to almost nothing.

VALUE OF WATER APPROPRIATIONS.

This abnormal condition could not maintain. Dissensions multiplied, and suits for the purpose of establishing the priority of right to the flow of the river, as appurtenant to the land upon which originally appropriated and untransferable, were instituted, culminating in 1910 in what is known as the "Kent decree." By this decree the order of priority in which each tract of land in Salt River valley that had been regularly cultivated down to 1905, or to within five years of that time, was entitled to receive the waters of the Salt river, was determined and established.

This able and vitally important decree will doubtless prove of great aid in determining the merits of the contention that the establishment of a right to the use of water on school land, by one or another of the methods heretofore described, should be deemed an improvement within the meaning of the law, for which reimbursement must be made, and in the event of such an interpretation, in determining the value of such improvement, which will vary according to the date of its initiation.

By records covering a period of thirteen years, carefully compiled by order of the court, the normal or average flow of the Salt river during each month was determined, and upon that basis the acreage susceptible of adequate irrigation arrived at. Thus it was shown that about the year 1880, and certainly not later than a year or two after, the entire normal flow of the river, during those seasons of the year when the flow was least and the demand greatest, had been applied to land under the various canal systems. In 1880, for illustration, a total of 55,663 acres of land was being served. The river seldom falls below 16,699 miners' inches. Inasmuch as this flow will irrigate the acreage given, it is estimated that up to the date named, but probably not later, the normal flow of the river would supply the land under cultivation. It follows that the lands which could claim the beneficial use of water upon them at a date not later than 1880, and were and are entitled to their proportionate share of the normal flow of the river up to the amount deemed by the Kent decree to be necessary for their proper irrigation, may be considered as having valuable water rights—rights under which they are reasonably assured of ample water dur-

ing the entire season for the growing of practically any crop. But the lands upon which the application of water appears to have been of a later date must be content with water at such times or during such periods only as the records show the river to have furnished more than was necessary for the uses of prior appropriators. They can only hope to be cultivated intermittently, during the seasons of high normal flow, and their cultivation likely must be confined to crops requiring the least amount of water. Such a right, it is plain, is of comparatively small value. This difference in the value of the priority of water disappears to a very considerable extent in the case of lands having contractual relations with the United States reclamation project, and therefore the right to the stored waters of Roosevelt dam, but it is worthy of all consideration in connection with the school lands, which have no such contractual relations, and the dependence of which upon the stored waters of Roosevelt dam may fail entirely, as will hereafter be shown.

In estimating any value that may possibly attach to the application or appropriation of water upon school lands, therefore, the date of such appropriation must needs be considered, and it seems clear that such as are of date later than 1880 are of little value compared with those earlier than that date, when the flow of the river was sufficient for the uses of all the land being cultivated.

ENTRANCE OF THE GOVERNMENT.

In connection with the history of the lands, school and otherwise, under the several canals named, the important and significant circumstance of the entrance of the United States government into the work of permanent reclamation, must be taken into consideration. This was brought about, through legislative and executive means, by the same conditions which culminated, through legal processes, in the "Kent decree." Efforts were being made to farm much more land than there was water for; dissatisfaction and failure went hand in hand; the demand for the development of additional water was constant; administrative difficulties in the maintenance of the canals on the north side of the river brought their complications; the Arizona canal heading, by means of which almost all of the water delivered by the north side canals was be-

ing diverted, washed out; an unusual period of drouth ensued; fields went to waste and highly improved farms reverted to their desert state. The United States government was petitioned to intervene and save the Valley, through the application of the national reclamation law enacted in 1903. This effort met with success, and finally the United States Reclamation Service took over the entire system of canals on the north side, and most of the canals on the south side. The chief consideration for the transfer was the great benefit that would accrue to the lands affected, no financial consideration being involved aside from payment, at an appraised price, for the canals which were deemed to have a value in connection with the new system. The sums so paid were divided among the stockholders of the various canals, whose stock for some years had been of little value, nothing whatever being paid to the holders of water rights or to the owners, occupants or lessees who had or were applying water to the land. Such contractual relations as they may have had with any of the old companies, evidencing their right to the delivery or use of water, by whatever process secured, whether of original appropriation, purchase or lease, were swept away—were abandoned, in fact, cheerfully and gladly, in the universal hope of improved conditions. All that remained of the old order was the priority of right, later legally established by the "Kent degree"—accruing and attaching to the land itself, and not to any individual, either owner or lessee—to the normal flow of the water of the Salt river. These rights, to the extent only that they were dependent upon the river's normal flow, were and are recognized by the United States Reclamation Service, but new contractual relations were required of and entered into by all users of water under the project, and the contracts so entered into regulate and control the delivery not only of the stored waters of Roosevelt dam, but as well of the normal flow of the river, to which the lands under the project were by the "Kent decree" declared to be entitled. Thus, whatever of a monetary or market value, or otherwise, relating to any of the canals which afterward comprised the Salt River Valley project, or to the delivery of water by them, was held under the ownership or control of school land occupants or lessees, as well as of the owners or occupants of other lands, ceased utterly to exist upon the advent of the United States Reclamation Service. Stockholders in the canal companies were reimbursed to

the extent of the actual value of the canals desired by the Reclamation Service, while the owners of water rights voluntarily relinquished them for the sake of the advantages which would accrue by virtue of the government reclamation enterprise, thus finally settling the matter.

This proposition, then, appears to be self-evident—that if the lessees or occupants of or upon school lands have either a legal or just claim to compensation by reason of an enhancement in the value of the land caused by the appropriation of water upon it, such claim has no reference to the water rights or shares of stock, purchased or leased, which were done away with when the government took over the canals. It relates entirely to the right to the normal flow of the river as established by the "Kent decree," and for a determination of its value, if any it may possess within the meaning of the law, goes back to and is dependent upon the date of the original application of the water to the land.

CONCLUSIONS.

Upon the foregoing statement of fact the Commission bases the following conclusions:

First. The theory that the lessee is entitled, in the way of reimbursement for improvements, to the difference between the value of the land in its original state and at the time of the adjustment of his rights, is entirely repugnant to reason, to justice and to the intent of the law. Assuming that the lessee, as a bona fide settler and occupant of school land, and entitled to all the benefits of the law relating to reimbursement for improvements, established a certain right to the use of water upon the land which enhanced the value thereof; assuming that the right was established, as the law contemplates and says, "after leasing" the land, and assuming that it was the "result of labor or capital expended on such land," there is still no ground for the contention that he is entitled to the benefit of the entire enhancement of value enjoyed by the land, or in fact to any as such. Under the circumstances described, his right to some measure of reimbursement for an improvement within the meaning of the law would be shown, but the amount of the

reimbursement would remain to be determined by another measure than that of unearned increment.

It would not appear to be necessary to enter into a lengthy discussion of this point. There can be no doubt that the purpose of Congress, in reserving certain sections of land in Arizona "for the benefit of the common schools," did so for the definite and exact purpose named in the reservation. Likewise it may be taken for granted that when authorization was given for the leasing of these lands, that action was also taken for the benefit of the common schools, and not primarily for the benefit either of squatters or lessees. And it is no less safe to assume that when the Territorial Legislature, acting under the authorization of Congress—which until the admission of Arizona as a State did not relinquish its control over the school land—conferred a preferred right upon bona fide occupants having improvements, and gave them a certain guarantee of reimbursement, it did so merely for the purpose of protecting them against loss and preserving their just, tangible equities, and not with any idea of presenting them with the land or of despoiling the grant designed for common school purposes. Anything permanent in character, the result of capital or labor expended, placed by the lessee and bona fide occupant upon the land after leasing the same, and which has enhanced its value, certainly constitutes an improvement for which the lessee is entitled to reimbursement, nor does there appear a doubt that the establishment of a prior right to water under the conditions and circumstances specified by the law would amount to such an improvement, but the enhancement in value enjoyed by the land, no matter by what it was caused or how brought about, unquestionably belongs to the common schools of the State, for the benefit of which the land was granted. In short, it is impossible to conceive of the tenants or lessees of school lands, in addition to enjoying the benefits derived from its continued occupancy and utilization for a long term of years, at a nominal rental, without taxation, reaping the unearned increment thereof.

Second. As has been shown, the value of a right to the normal flow of the Salt river, which by some lessees is held to be an improvement for which the law guarantees reimbursement, is dependent upon the date of the establishment of such right. As has also been

shown, and confirmed by the "Kent decree" and records of the United States Reclamation Service, a right established later than 1880 is of comparatively little value, while a right established as late as 1896—entitling the land to which attached only to the normal flow of the river after all lands placed in cultivation prior to the year named are satisfied—can hardly be said to have any value whatever. In view of the law, therefore, which provides only for the reimbursement of "anyone making permanent improvements on school or university land after leasing the same," the conclusion is inevitably reached that the prior right to the normal flow of the Salt river, attached to certain school lands and established by the "Kent decree," cannot constitute an improvement within the meaning of the statute. None of such lands could have been leased until April 7, 1896, when Congress extended authority therefor, and none of them actually were leased until after March 18, 1897, when the Territorial Legislature provided laws and regulations and defined the rights upon which the lessees now rely for reimbursement. Of the 9,055 acres of school land in Salt River valley, on both sides of the Salt river, under the Salt River Valley project and the Tempe canal, which by the "Kent decree" is accorded some measure of right to the normal flow of the river, all but 1885 acres was under cultivation prior to 1896, the earliest time at which the land could have been leased. It is evident that an "improvement" placed upon school land prior to that date does not come within the scope of the law relating to reimbursement. Neither is it sufficient to set up the contention that the right to the water, though established prior to the leasing of the land, was maintained and therefore preserved by the lessee, since that was done in the ordinary conduct of the business for which the land was leased, and under that clause of the agreement entered into imposing the condition that no waste should be suffered upon the land the lessee would be required to maintain an improvement which had been already established and was appurtenant to the land at the date of the lease.

If it can be shown that the water rights established upon school land subsequent to the leasing of the land, have a value, or have caused an enhancement in the value of the land beyond what it would have been worth had it been permitted to remain in its original state, and the establishment of the right was "the result of capital or labor expended," there can be no doubt that such

rights constitute improvements within the meaning of the law, for which the bona fide occupant and lessee of the land is entitled to reimbursement, following the enactment by the Legislature of a plan therefor. It is extremely doubtful, however, in view of the law relating to the use of the normal flow of the river, that an enhancement in the value of the land can be shown as the result of a water appropriation of such recent date, and this doubt is increased by the proposal of the United States Reclamation Service, which will be hereafter described, to deny to school lands the right to contract for the stored waters of Roosevelt dam. If this proposal should be carried into effect, and the use of the stored waters should be altogether denied to school lands, the exceedingly brief and uncertain periods of the year when lands placed in cultivation since 1896 could hope to secure a portion of the normal flow of the river would lend no hope for the successful farming of the land. On the other hand, should the plan of the Reclamation Service be amended, and the land admitted to contractual rights in the stored waters, it would thus be placed practically on a parity with all other lands in the Valley, and its value could not be enhanced by a "prior" right to the normal flow of the river which was prior to nothing earlier than 1896.

Third. The Commission believes the purpose of the law of 1897, and of the Constitutional provision relating to the reimbursement of bona fide occupants and lessees of school lands for improvements, is clear. These provisions were designed to protect the lessees residing upon and improving school lands, against the loss of such of their expenditures, either of capital or labor, as enhance the value of the land. To this extent the law is fair, and just, and proper, though its continuance, outside of the adjustment of existing obligations and complications, would be extremely imprudent. To this extent it should be faithfully observed by the State, under a plan at once practical in its operation and definite and impartial in its provisions, which will accord perfect justice to the bona fide occupant and lessee and even-handed protection to the State. There should be no effort to evade the purpose of the law, by raising up technical obstacles to the reimbursement of occupants and lessees for genuine improvements which have

enhanced the value of the land, any more than over-zealous lessees should be permitted to gain something at the expense of the schools of the State, to which they are not entitled.

PROPOSAL TO BAR SCHOOL LAND FROM STORED WATER.

The status of the school lands under the Salt River Valley project, with respect to the stored waters of Roosevelt dam, to which reference has heretofore been made, is a subject for serious consideration in arriving at a determination of the plan or policy under which the lands shall be hereafter administered.

Section 5 of the Act of June 17, 1902—the so-called Reclamation Act (32 U. S. Stats., 389), provides:

> "No right to the use of water for land in private ownership shall be sold for a tract exceeding 160 acres to any one landowner."

With an imperfect knowledge of this clause as a basis, the belief is held by many that the reclamation law would automatically bar the State, owning lands far in excess of 160 acres, from participation in the benefits of the Salt River Valley project.

That this is not true would seem to be sufficiently disproven by the wording of the clause above quoted, which clearly refers only to lands held in private ownership. Confirmation of this interpretation is contained in the Manual of the Reclamation Service, wherein the Secretary of the Interior, under date of May 12, 1909, promulgates the following opinion:

> "Agencies of the State Government are entitled to become takers of water under the reclamation projects upon an equitable contribution of the cost of the project to the lands benefitted. The limitations of the Reclamation Act respecting residence of owners and area of land of one owner that may be served from reclamation works, have no reference to State agencies."

It is apparent, therefore, that there is no barrier, so far as the Reclamation Act itself is concerned, to the acquirement by the State of rights, for the school lands under the Salt River Valley project, to the stored waters of Roosevelt dam.

Another barrier, equally as effective as the most rigid interpretation of the law could be has, however, arisen. As a preliminary to the formal opening of the Salt River Valley project it was found advisable to determine the acreage of land that could be properly supplied with water, and to define the exact tracts to be irrigated. To this end a Board of Survey, composed of F. W. Hanna, chairman; W. A. Farish and Frank H. Parker, was appointed, with instructions to ascertain the acreage that could be supplied under the water supply as developed, and the particular lands having the greatest right to such water.

Under date of January 9, 1914, a recommendation of the Board of Survey to limit the irrigable acreage of the Salt River Valley project to 175,000 acres was approved by the Reclamation Commission, and the following instruction issued:

> "In selecting lands for the project, preference should be given to the lands in the following named order:
>
> (1) Class A lands, in holdings of 160 acres or less per owner;
>
> (2) Cultivated Class B lands, in holdings of 160 acres or less per owner;
>
> (3) Cultivated Class C lands, in holdings of 40 acres or less per owner, giving preference to those who have no Class B lands included."

It will be seen that under this instruction, school lands, whether of Class A, B or C, being held under State ownership in an amount far in excess of 160 acres, were effectually disbarred from inclusion within the project, unless it should have been found that the total of the lands to which preference was given would not amount to the acreage limit fixed.

The result of the Board's deliberations appears in the following extract from its final report to the Reclamation Commission:

> "It will be noted that there are 11,030 acres of State school lands now under cultivation on the project. According to the rules laid down and approved by the Department, if legislation shall be obtained empowering the State to sell these lands, the Water Users' Association with the co-operation of the Reclamation Service by means of wells or otherwise will develop sufficient additional water to include these lands in the project. These lands have already been furnished water from the Salt River project partly through established rights under the Kent decree and partly through water rental contracts for flood and

reservoir waters. It is the opinion of the Board of Survey that in case the Water Users' Association fails to develop a sufficient supply of water for these lands promptly the United States should undertake to do so in case appropriate State legislation is enacted. When such legislation is enacted by the State and when such additional water is developed either by the Association or by the United States, it is understood that the project shall consist of 182,978.71 acres of lands under the Reclamation Act and of 8,324 acres of lands classified as townsites, making a total of 191,302.71 acres."

The Reclamation Commission's decision and recommendation to the Secretary of the Interior was as follows:

"In this tabulation the State school lands are shown separately because of the fact that these lands cannot be subscribed to the project under the terms of the Reclamation Act unless the State passes legislation making this possible.

"Regarding each of these classes of land the board has made certain recommendations. These have been considered by the Reclamation Commission and approved except that the Commission is of the opinion that no lands should be included in the project at this time that cannot be adequately served from the present developed water supply and that all additional lands proposed to be included through the development of additional water supply shall be considered only as a new unit of the project dependent upon approval and appropriation by Congress under the Act of August 13, 1914 (Public No. 170), or upon the development of such additional water supply by the water users directly.

"The Commission therefore recommends:

"4. That the State school lands cultivated and uncultivated and other uncultivated lands listed above as (c), (d) and (e) be not considered a part of the project at present, but that such lands or any part thereof may be considered as a new unit dependent upon the development of additional water supply for such lands, except that whenever the water supply developed by the Government system exceeds that required by the lands of the project, such excess water may be furnished to other lands on a temporary rental basis, preference being given to the State school lands now under cultivation."

It will be seen, therefore, that if the recommendation of the Board of Survey, as modified by the Reclamation Commission, should be finally approved by the Secretary of the Interior, the school lands, both cultivated and uncultivated, will not be "considered a part of the project at present," but "may be considered as a new unit dependent upon the development of additional water supply for such lands, except that whenever the water supply developed by the Government system exceeds that required by the

lands of the project, such excess water may be furnished to other lands on a temporary rental basis, preference being given to the State school lands now under cultivation."

Since the present prospect is for an abundant supply of stored water in Roosevelt reservoir, it seems likely that under the last clause of the Reclamation Commission's recommendations, the school lands under cultivation will temporarily at least be accorded sufficient stored water, in addition to the normal flow of the river to which certain of them are entitled, to prevent loss, but it is evident that if the advantages they have heretofore had are to be permanently assured, or similar ones are to be secured for such as have never been cultivated, dependence will have to be had upon the development of an additional water supply, either by the United States, the Water Users' Association, the State or, in the event of the sale of the land, by individual land owners.

The Commission does not agree with the assumption of the Board of Survey that legislation by the State providing for the sale of the lands is essential, under the law, to their inclusion within the project, or with the Reclamation Commission "that these lands cannot be subscribed to the project under the terms of the Reclamation Act unless the State passes legislation making this possible," but the power of the Secretary of the Interior to exclude them from the project is indubitable, and the effect is therefore the same, if that determination be reached, whether the lands could or could not be subscribed under the law without further legislation.

It will be borne in mind, of course, that the elimination of the school lands from the project will not in any way affect such rights as they may possess, under the "Kent decree," to the normal flow of the river. Of the school lands possessing such rights in some measure something over 2,000 acres are entitled to ample water, under average conditions, for their successful cultivation, but the remainder will be left without sufficient water.

RECOMMENDATIONS.

The status of the school lands of Salt River valley has been set forth in detail, to the end that differing views as to their proper

disposition may be considered from the standpoint of accurate knowledge of the facts.

In the opinion of the Commission, however, authorization should be given to the State Land Department for the sale of these lands, under such conditions as to acreage, minimum price and terms as will safeguard the interests of the State and afford the fullest opportunity for the more thorough development of the land and the establishment of permanent homes.

The Commission is led to this view by a number of considerations. Perhaps the most important and controlling one is that no other entirely feasible plan of adjusting the improvement rights of the bona fide occupants of the lands presents itself. As heretofore set forth, the Commission's appraisal of improvements discloses a valuation of $421,706.88, not taking into account any possible value that water rights may be held to have. An adjustment of the claims of the occupants, therefore, on the basis of payment out of the General Fund is obviously impractical. It would impoverish the State.

It is confidently believed, furthermore, that the sale of these lands will be in the interest of the common schools, assuming that the proceeds will be placed in a permanent inviolable fund of which the interest only may be spent. Having reached an approximation of their ultimate value, the lands, if judiciously offered, on terms favorable to people of limited means, can be sold at prices which will net the State a great deal more than it would be possible to receive in the form of rental.

It is apparent to the Commission, also, that as a general rule these lands, under their present status, are not being adequately cared for. In many cases their upkeep is being sadly neglected. Noxious weeds and grasses are allowed to multiply to the very great detriment of the lands, and on the whole, by comparison with adjacent lands under private ownership, they are poorly farmed. The only remedy for this condition, in the opinion of the Commission, lies in their sale. Whether they should go into the hands of the present occupants or of others, the pride of ownership, as well as the desire for profit, would stimulate their improvement, and result in the creation of additional wealth and other advantages to the State.

Finally, it is evident that the inclusion of these lands in the Salt River Valley reclamation project, and their admission to contractual rights in the stored waters of Roosevelt dam, while they remain in State ownership, is viewed with disfavor by the United States government. What the result of influences which might be brought to bear to induce a modification of the position assumed by the Department of the Interior, would be, cannot of course be told, but the policy of the Department looking to the encouragement under government reclamation projects of small holdings by actual residents, and of intensive cultivation, appears to be well fixed.

In line with this departmental policy, which is believed to be wise, the Commission recommends that eighty acres be fixed as the limit of land that may be sold or contracted to one person, and authority should be given to the State Land Department to prescribe a still lower limit wherever circumstances justify.

Provision should be made for the separate appraisal of land and improvements, and agreement to the latter by the owner, or, in the absence of such agreement a judicial determination of their value, not subject to appeal, prior to sale. In cases where the value of the improvements is found to be so great that the necessary initial payment for the land, when added to the cost of the improvements, would tend to discourage competitive bidding, moneys should be made available out of the General Fund for direct payment for some portion of the improvements, to be reimbursed as received from the subsequent sale of the improvements in connection with the land.

Adjustments for improvements, upon the sale of the land, should also comprehend the payment to the State of all rentals due, with penalties and interest attached to such rentals as are delinquent, or on lands for which applications for permits have not been made.

Ample time should also be allowed for the disposal of the lands, in order that the interests of the State might not suffer through what would, if the entire body of school land in Salt River valley were thrown upon the market at one time, virtually amount to a forced sale.

In the event that it should appear that any portion of the land cannot be disposed of to advantage, by reason of its inability to secure the stored waters of Roosevelt dam, or that the value thereof might be greatly enhanced, to the profit of the State, by the development of water under an agreement with the United States Reclamation Service providing for the inclusion of the land within the project, authorization should be given the State Land Department to make the expenditures necessary for such development and to enter into all necessary contracts looking to the inclusion of the school lands within the Salt River Valley project.

TABLE XIII **SCHOOL LANDS UNDER SALT RIVER PROJECT—RECEIPTS AND EARNING POWER**

		Feb. 14, 1912—March 15, 1912					March 16, 1912—March 15, 1913				
		EARNINGS					EARNINGS				
	Amount	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:											
Overpaym't to counties				83.90					921.38		
Rec'd by Commission..				399.69					4,731.75		
Receipts for permits .		112		483.59	6,215.09		112		5,653.13	6,215.09	
Applications pending:											
Due on pending app's .		14	34.01		960.00		14	374.12		960.00	
Cancellations		1	.90		10.00		1	9.85		10.00	
Not applied for.....		75	154.07		5,818.50		75	1,751.54		5,818.50	
Intact at Statehood.....		202			13,003.59		202			13,003.59	
Earning power prior to Statehood	5,120.06										
Total cash receipts.....				483.59		483.59			5,653.13		5,653.13
Earnings not received...			188.98			188.98		2,135.51			2,135.51
Gross earning power: .						672.57					7,788.64

		March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1015				
		EARNINGS					EARNINGS				
		No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:											
Overpayment to counties.....											
Received by Commission.....				4,570.29					1,422.39		
Receipts for permits issued.....		77		4,570.29			37		1,422.39	1,566.59	
Applications pending:											
Received account rental.....		1		17.65	12.00						
Due on pending applications.....			.50								
Delinquent		48	2,582.81		2,713.50		88	5,708.38		5,608.50	
Relinquishments and cancellations..		1	17.80		10.00		1	17.80		10.00	
Not applied for.....		75	6,092.53		5,818.50		75	6,092.53		5,818.50	
Leases intact date of Statehood....		202			13,003.59		202			13,003.59	
Total cash receipts.....				4,587.94		4,587.94			1,422.39		1,422.39
Earnings not received.....			8,693.64			8,693.64		11,818.71			11,818.71
Gross earning power since Statehood..						13,281.68					20,241.10

TABLE XIV SCHOOL LANDS UNDER TEMPE CANAL—RECEIPTS AND EARNING POWER

	Feb. 14, 1912—March 15, 1912						March 16, 1912—March 15, 1913					
		EARNINGS					EARNINGS					
	Amount	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:												
Overpaid to Counties				24.30					267.46		
Received by Commission				112.15					1,345.79		
Receipts for permits		6		136.45	1,496.00		6		1,613.25	1,496.00	
Delinquent											
Not applied for											
Leases intact date of Statehood		6			1,496.00		6			1,496.00	
Earning power prior to Statehood	688.66										
Total cash receipts				136.45		136.45			1,613.25		1,613.25
Earnings not received											
Gross earning power						136.45					1,613.25

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
	EARNINGS					EARNINGS				
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Overpayment to counties										
Received by Commission			594.00					594.00		
Receipts for permits issued	1		594.00	594.00		1		597.00	554.00	
Applications pending										
Received account rental	1		109.77	161.00						
Due on pending applications		59.00								
Delinquent	4	1,237.20		782.00		5	1,405.97		942.00	
Relinquishments and cancellations										
Not applied for										
Leases intact date of Statehood	6			1,496.00		6			1,496.00	
Total cash receipts			703.77		703.77			594.00		594.00
Earnings not received		1,296.20			1,296.20		1,405.97			1,405.97
Gross earning power since Statehood					1,999.97					1,999.97

UNIVERSITY LANDS

By the Act of Congress of February 18, 1881 (21 U. S. Stats., 326), Arizona—in common with the Territories of Dakota, Montana, Idaho and Wyoming—received a grant of seventy-two entire sections of land, "for the use and support of a university."

Since the history of the legislation, and of the subsequent acts by means of which the State is now receiving the benefits of an important annual revenue which may be increased year by year, is almost unknown, and the opportunity for securing accurate data would soon pass away, it was deemed advisable by the Commission to compile such information relating to these university lands as might be gathered. Its inclusion here may not be out of place.

HISTORY OF UNIVERSITY GRANT.

Though the grant of February 18, 1881, accrued to the benefit of five Territories, including Arizona, it is asserted by men who were at the time observers of the proceedings of Congress that the legislation was promoted and brought about largely through the efforts of the delegates from the then Territories of Dakota and Montana.

That Arizona was not entirely unaware of or indifferent to the proposal is evidenced by the fact that on February 5, 1881, there was introduced in the Council of the Eleventh Legislature of the Territory, a resolution known as Council Joint Resolution No. 4, which resolved:

> "That our Delegate in Congress be and he is hereby instructed to use his influence with the Congress of the United States to procure the passage of a law granting to the Territory of Arizona four townships of land to be selected in legal subdivision by the Surveyor-General of the Territory to aid in the endowment of a Territorial University."

The resolution passed the Council without a dissenting voice, but for some reason unexplained opposition developed in the House.

where P. J. Bolan, of Maricopa county, submitted a minority report of the Committee on Education recommending that it do not pass.

In spite of this opposition the resolution was adopted by an "aye" vote of fifteen and a "no" vote which was not recorded, and on February 19, 1881—one day after the Act of Congress for which request was being made had been approved by the President of the United States—it was signed by Governor John C. Fremont.

Upon M. H. Sherman, who was at that time Territorial Superintendent of Public Instruction, devolved the duty of selecting the seventy-two sections of land to which Arizona was entitled. Not knowing how to select the best land, he solicited the advice of W. N. Kelly, of Prescott, who was at that time Register of the United States Land Office at Prescott. Mr. Kelly volunteered to recommend the land to be selected, which he did after consulting the field notes of United States land office surveys in Coconino county. Information which is not altogether clear indicates that Mr. Kelly's recommendations were checked through an examination in the field by a committee designated by Superintendent Sherman. The personnel of this committee has not been ascertained, though it was probably headed by D. M. Riordan, then of Flagstaff, now of New York City.

As a result of the recommendations of Mr. Kelly and of the committee examination Selection List No. 1, containing 45,678.68 acres, in Township 20 North, Ranges 5, 6 and 7 East, and Township 21 North, Ranges 3, 5, 6, 7 and 8 East, all of which are now embraced within the Coconino and Tusayan National Forests, was filed December 27, 1882.

This action was reported to the Twelfth Legislature in the message of Governor F. A. Tritle, dated January 9, 1883, wherein Governor Tritle also observed that the question of the establishment of a Territorial University had been for some time agitated, but inasmuch as there was no money available for the payment of the expenses of such an establishment he advised against it.

On January 11, 1890, the list filed more than six years before, was approved as to 36,890.14 acres, and rejected as to 7,668.54 acres. On January 28, 1908, the Commissioner of the General Land Office held the remainder, 1120 acres, for cancellation on the ground that it was unsurveyed at the time of selection, and prior to survey was in-

cluded within a national forest. The Territory of Arizona appealed from the ruling of the Commissioner, but the latter was sustained in an opinion by First Assistant Secretary of the Interior Pierce.

On March 7, 1904, a 320-acre tract in the Tucson mountains, near the city of Tucson, was selected for this grant, the specific purpose thereof, since the land was practically valueless for other purposes, being to permit its utilization by the Carnegie Institute of Washington, for the establishment of a desert laboratory. This selection was approved May 6, 1905, and was leased to the institution mentioned, which still retains its use.

The total area of university land under the Act of February 18, 1881, is therefore, at the present time, 37,210.14 acres, leaving a balance of 8,869.86 acres to be selected.

Inasmuch as the Act of February 18, 1881, provided that the land granted should be "immediately" selected there is some doubt as to the allowance of further selections after the lapse of thirty-three years, but it is likely that the Department of the Interior will, in view of the fact that selections were promptly made and disapproved after a long term of years, construe the Act liberally.

The Territory's administration of the university land in Coconino county dates from the passage of the Act of April 7, 1896 (29 U. S. Stats., 90), which authorized the leasing, under Territorial law thereafter to be enacted, and pending such enactments by the Governor, Secretary of State and the Superintendent of Public Instruction, under regulations prescribed by the Secretary of the Interior, of all the university and school lands in the Territory. From that time forward the university land was administered in accordance with the Territorial plan of administering school land, and the proceeds devoted to the purposes of the University of Arizona.

The leasing act of April 7, 1896, it appears, was not effected until an effort at a measure which would have thrown down the bars to the robbing of the Coconino university lands of their magnificent timber was narrowly defeated. A leasing bill which failed to prohibit the removal of timber was actually passed by Congress, but owing to vigorous opposition by watchful Arizonans was vetoed by President Cleveland. The Act of April 7, 1896, subsequently passed, prohibited the cutting, removal or appropriation of timber growing on any of the lands to be leased.

Prior to this other causes arose to convince some that the university lands were being despoiled, and in 1885 the then United States Marshal for Arizona, W. K. Meade, journeyed to Washington and informed the Commissioner of the General Land Office, Gen. Wm. A. J. Sparks, that about thirty-six sections "had been robbed" by lumbermen and by the Santa Fe Pacific railroad company. From the Commissioner the Marshal journeyed to the Secretary of the Interior, L. Q. C. Lamar; from the Secretary to the President, and back to the Secretary. Finally, interest was taken in the matter, an investigation ordered, civil and criminal suits instituted, a number of indictments found by a United States grand jury at Prescott, arrests effected, witnesses secured and every preparation made for trial. At this stage of the proceedings an order came from the Department of Justice to continue the cases, which was tantamount to dropping them. The order was said to have been made at the request of Secretary of the Interior Wm. F. Vilas, who had succeeded Secretary Lamar.

DESCRIPTION.

As heretofore stated, the land approved, in Coconino county, amounts to 36,890.14 acres, and is embraced entirely within the Coconino and Tusayan National Forests. It consists of alternate even-numbered sections and a few isolated sections, there being fifty-eight and one-half sections in all. The location of the land is on a rolling, rocky plateau between 6,500 and 7,800 feet in elevation. The soil for the most part is a clayey loam derived from disintegrated lava or limestone, and being generally covered by fragments or broken outcroppings of lava or limestone, is mostly valueless for agriculture. Of the total area, 3,596.24 acres are suitable, in some measure, for agricultural purposes. What living springs are on any of the tracts are of little importance. There are a number of tanks on various sections, built by lessees, for the watering of stock being grazed thereon, or formed by railroad grades. There is permanent water on but one section. The entire area is most excellent for grazing purposes, though by far the greatest value of the land lies in its magnificent stand of western yellow pine.

Estimates obtained from cruising, under the direction of officials of the National Forest Service, and contained in the report of

the Commission dated February 1, 1913, indicated approximately 242,161,000 feet B.M., of merchantable western yellow pine, on the entire area. The experience had, however, in two sales effected by the Commission, shows that these estimates will fall not less than twenty-five per cent, and probably nearer fifty per cent short. Taking the lesser increase as a basis, it may be safely estimated that the existing stand of merchantable timber will reach 300,000,000 feet.

The 320-acre tract of university land in Pima county is merely mountainous, rocky land, of questionable value even for grazing. Its chief, if not only value, lies in the desirability of its location for the purposes of the lessee, the Carnegie Institute.

ADMINISTRATION.

The Commission's authority to administer the university lands is contained in three provisions of law, and the powers derived from all of them the Commission has had occasion to invoke.

As in the case of school lands, authority to grant permits for the continued occupancy of university lands was granted by the Act of May 20, 1912 (Chapter 1, Title 43, Revised Statutes 1913), and in accordance therewith such of the Territorial lessees as have made the required applications have been granted permits. The minimum rental, which prior to Statehood was $10 per annum for a section, has been increased to $20, while for some a higher rental than this is charged.

Although at the date of Statehood fifty-nine university sections or tracts were being leased, but thirty-nine applications for permits have been approved by the Commission. The decrease is partly due to the voluntary abandonment of leases and partly to the fact that certain of the lessees were holding in excess of the acreage allowed by the law which limits the lease of State land.

A statement showing the different phases of the administration of university lands, as it relates to permits and leases, is contained in Table XV, Page 125. Although the amount leased is at present reduced, the net returns have been increased, and with proper attention may be still further increased.

If it were possible to extend the limit which may be leased to

one person, association or corporation a revenue could be derived from all of the university land in Coconino county.

CO-OPERATION WITH DEPARTMENT OF AGRICULTURE.

By the Act approved April 11, 1913 (Chapter 3, Title 43, Revised Statutes 1913), the Commission was authorized "to care for, sell, or otherwise administer, the timber and timber products upon the public lands of the State."

With a realization of the situation's requirements in the way of fire protection for the State's valuable forest; in the way of technical and practical aid in applying the principles of conservative lumbering and forest management, and in the way of trained forest men to assist in administering timber sales, the Commission took occasion to enter into a co-operative agreement with the United States Department of Agriculture. By the terms of this agreement, which is dated January 15, 1914, the Department agrees to give without cost, such technical advice with respect to timber sale operations and the care of timber lands as the State may from time to time request; to make, likewise without cost, examinations of the university lands upon request, and to report upon the condition and status of the lands and the products thereof, the desirability of timber sales, logging plans, stumpage values, and such other similar advisory matters as will aid in the proper administration of the lands and the disposition of the products; and to designate, upon the State's request, "Forest officers who may work for the State in the working, scaling, supervision of logging and other operations in connection with the removal of the timber from the said State lands," the salaries and expenses of the Forest officers while engaged in such work to be borne by the State.

On its part the State is obligated to employ at least one forest guard during the fire season—usually from May 1 to October 31—to co-operate with local Forest officers in the work of fire prevention; to pay the State's proportion of the cost of suppressing forest fires within the district embracing the university lands, and to cut and remove the timber from the university lands as nearly as may be in accordance with National Forest rules and regulations.

The advantages of this agreement have been shown in a manner so direct and practical as to appeal to the most casual mind. It has proved extremely economical. As indicated by Table XVIII, set forth on page 126, the total cost of administering the university lands from the date of the agreement to December 1, 1914, was $2,222.03, which includes the items of fire protection and the various expenses attendant upon the advertising, the sale and the scaling and marking of $60,210.88 worth of the land's timber products. By charging this total expense against the cost of scaling and marking the timber sold, it averages about twelve cents per thousand feet, and when the fact is taken into consideration that the general average of that item of forest administration is about thirty cents per thousand feet, the economy of the State's co-operative agreement requires no further elucidation. It is only fair to say, however, that the advantage extends much further, in the excellence of the assistance rendered by the Forest officers, the value of their advice, and the smoothness of operation which comes by reason of utilizing the local Forest Service organization located in the vicinity of the State's lands.

TIMBER SALES.

Despite the aggravated depression in the lumber market which has prevailed for more than two years, and which has failed as yet to exhibit any appreciable improvement, the Commission has been able to make two timber sales, aggregating some 27,000,000 feet of western yellow pine, at very favorable prices, with at least two other considerable sales in early prospect. These sales have resulted in receipts to date amounting to $59,000, which has been placed in the hands of the State Treasurer, by whom it is held in a special fund, no fund for the reception of such moneys having as yet been created by law. Of the sum so deposited $4,158.61 represents a bal in favor of the purchasers to be applied against future cutting. At the rate at which cutting on the second sale is progressing, the balance will be exhausted within two weeks. In addition to a surety bond conditioned upon faithful performance of contract, the Commission requires of purchasers advance deposits proportionate to the magnitude of the sale, the deposit in the case of a maximum sale of approximately 15,000,000 feet being $5,000.

Though not properly a part of the Commission's report, it is worthy of note that the moneys deposited with the State Treasurer on account of timber sales have been by him placed with banks at interest, and will have earned, on December 15, $903.24. This affords a tangible illustration of the earning power of a permanent fund.

ADJUSTMENT OF TRESPASS CLAIM.

Much gratification has been afforded the Commission by the satisfactory adjustment, without recourse to the courts, of a claim for trespass resulting from the construction of a logging road, a number of years ago, by the Central Arizona Railway Company, now owned by the Arizona Lumber & Timber Company, of Flagstaff, over certain sections of the university timber lands. This logging road was constructed under and by virtue of an Act of Congress approved February 25, 1903, granting it a right-of-way over the "public lands of the United States," and the question as to whether trespass had been committed within the meaning of the law hinged upon whether the university lands—granted for "the use and support of a university * * * when the Territory shall be admitted as a State into the Union"—were, prior to Statehood, "public lands of the United States."

The question of the State's right to reimbursement for the timber cut from the right-of-way was raised by the Commission in the course of its discharge of the duty imposed upon it by Paragraph 4570, Chapter 1, Title 43, Revised Statutes 1913, to administer the lands of the State and to commence and prosecute all actions necessary or proper to protect the interests of the State. It is not necessary to recount the details of the succeeding negotiations. Suffice it to say that the Arizona Lumber & Timber Company, while failing to recognize or admit its legal responsibility, viewed the matter in its broader aspect of the equities and the moral obligation involved, and settled, without recourse to the courts, on the basis of the Commission's claim for the entire amount of timber cut, as determined by a painstaking survey of the ground. This settlement brought to the State $1210.88, which has been paid to the State Treasurer.

A UNIVERSITY LAND FUND.

As in the case of the moneys derived from timber sale contracts, this money is being held by the State Treasurer in a special fund, no fund for its reception having been created by the Legislature. The creation of such a fund, by the approaching Legislature, is a business necessity; and in this connection the exceedingly important question arises as to the policy to be pursued in the disposition of the moneys recoverable into such a fund.

The legal aspects presented are as follows:

The Act of February 18, 1881 (21 U. S. Stats., 326), by which Congress granted "seventy-two entire sections" to the Territory, for the use and support of a university when the Territory should be admitted as a State into the Union" imposed the condition that the moneys derived "from the sale of said lands" should be invested in the bonds of the United States and deposited with the Treasurer of the United States; that it should constitute a university fund, and no part of it should be expended for buildings or the salaries of professors or teachers until the same should amount to $50,000, and then only the interest until the fund should amount to $100,000, when the excess and the interest might be used "for the proper establishment and support" of a university.

These conditions, which surrounded the original grant of the land, would probably be held to apply only to the period when Arizona was yet a Territory, and to have become null and void with Statehood, or to have been repealed or amended by the Enabling Act, which contains comprehensive conditions respecting the administration of the lands granted by Congress and the disposition of the moneys derived therefrom, which conditions the State accepted and ratified in its Constitution.

It is at least interesting to note, however, that it was the intention of Congress, in granting these lands, to create a permanent fund of not less than $100,000, which should not be suffered to deteriorate, but should serve as a dependable and continuous resource.

The Enabling Act provides that a separate fund shall be created for each of the several objects for which the grants named in that

Act were made, or for which any lands were theretofore granted to the Territory; that the lands, the natural products thereof and the money proceeds of the lands, shall be held in trust for the several objects specified; that the moneys in any manner derived from any of said lands shall be deposited by the State Treasurer in the fund corresponding to the grant under which the land producing it was conveyed or confirmed, and that the State Treasurer shall keep all such moneys invested in safe, interest-bearing securities, to be approved by the Governor and Secretary of State.

These, then, would appear to be the only legal restrictions surrounding the disposition of the moneys derived from the natural products of the university lands granted by the Act of February 18, 1881, and confirmed by the Enabling Act. The question remains as to whether the moneys so derived shall be erected into an inviolable trust fund, of which the interest only may be used, or the bars are to be thrown down and the university's resources dissipated as rapidly as they can be accumulated. Doubtless, in view of the institution's constantly growing needs and the difficulties which their satisfaction by the method of direct taxation presents, there will be a temptation to utilize the principal of the moneys received from the sale of timber for that purpose. It is the hope of the Commission, however, that this temptation will be resisted; that the State, in regarding the needs of its great educational institutions, will build for the future, which can only be done by building substantially. Experiences of the past, and the best thought of the present, inevitably point to the policy of establishing permanent, inviolable funds for all permanent purposes, and the State has no purpose more permanent than that of education. In the event that these lands were to be sold, there would scarcely be a thought but that the proceeds should constitute a permanent fund. No argument will be required to set forth the folly of killing the hen that lays the golden egg, and therefore no one will suggest that lands of the character being considered should be sold; but it follows logically that if the product of these lands, requiring a lifetime for reproduction, are to be disposed of, the proceeds should be treated in the same way as would the proceeds from the sale of the lands themselves.

The Commission estimates that there is at the present time in the neighborhood of 300,000,000 feet of mature and over-mature western yellow pine on the university lands. Approximately two-

thirds of this can be marketed within the next twelve years at a price which, despite present unfavorable conditions, it is reasonable to expect will average $3.50 per thousand. Thus can a permanent fund be created which within twelve years will reach $700,000 from the sale of timber alone, and this amount can be steadily increased at frequent intervals thereafter by the sale of timber not yet mature, but so nearly mature that it will soon be suitable for cutting.

When to this foundation for a permanent university fund is added the amount which may be derived from the wise administration of the grant for university purposes, and the co-related grants for agricultural and mechanical colleges and a school of mines, as conveyed by the Enabling Act, the possibilities of a fund which in the course of time will go far toward wholly maintaining the institution, become apparent.

The Commission therefore recommends that such a permanent fund be established, and that all receipts from the sale of timber and cordwood be deposited therein, and converted into safe, interest-bearing securities as provided by law, only the interest from which may be employed for the uses of the university.

CLASSIFICATION.

	Grazing	Agricultural	Total
Applied for	17,212.72	3,276.66	20,489.38
Not applied for	16,081.18	319.58	16,400.76
Total	33,293.90	3,596.24	36,890.14

TABLE XV **UNIVERSITY LAND, COCONINO COUNTY—RECEIPTS AND EARNING POWER**

	Feb. 14, 1912—March 15, 1912						March 16, 1912—March 15, 1913					
		EARNINGS						EARNINGS				
	Amt.	No.	Not Rec'd	Rec'd	Acres	Earn'g Power	Amt.	No.	Not Rec'd	Rec'd	Acres	Earn'g Power
Permits issued:												
Overpayments to counties				2.72						29.92		
Received by Commission				28.07						308.96		
Receipts for permits issued		39		30.79	20,489.38			39		338.88	20,489.38	
Applications pending:												
Received account rental												
Due on pending applications												
Delinquent												
Not applied for		20	30.21		16,400.76			20	362.50		16,400.76	
Leases intact date of Statehood		59			36,890.14			59			36,890.14	
Earning power prior to Statehood	590.52											
Total cash receipts				30.79		30.79				338.88		338.88
Earnings not received			30.21			30.21			362.50			362.50
Gross earning power since Statehood						61.00						701.38

	March 16, 1913—March 15, 1914					March 16, 1914—March 15, 1915				
		EARNINGS					EARNINGS			
	No.	Not Rec'd	Rec'd	Acres	Earning Power	No.	Not Rec'd	Rec'd	Acres	Earning Power
Permits issued:										
Received by Commission			575.50					452.25		
Receipts for permits issued	31		575.50	16,662.04		23		452.25	12,582.20	
Applications pending:										
Received account rental	2		41.70	799.83						
Due on pending applications		.80								
Delinquent	6	95.00		3,027.46		16	286.90		7,907.18	
Not applied for	20	362.50		16,400.76		20	362.50		16,400.76	
Leases intact at date Statehood	59			36,890.14		59			36,890.14	
Earning power prior to Statehood										
Total cash receipts			617.20		617.20			452.25		452.25
Earnings not received		458.30			458.30		649.40			649.40
Gross earning power since Statehood					1,075.50					1,101.65

SALE OF TIMBER AND CORDWOOD FROM UNIVERSITY LAND

TABLE XVI

RECEIPTS TO DECEMBER 1, 1914

	Price Per M.	Sold to	Amt. cut Ft.B.M.	Value	Recd	Bal.credit buyer
Sale No. 1	3.00	A.L.& T.Co.	12,634,120	37,909.20	39,000.00	1,090.80
Sale No. 2.	3.50	A.L.& T.Co.	* 4,837,770	16,932.19	20,000.00	3,067.81
Trespass		A.L.& T.Co.		1,210.88	1,210,88	
Cordwood		Ed.G.Keith		12.50	12.50	.
Total			17,471,890	56,064.77	60,223.88	4,158.61
Bal. to credit of purchasers				4,158.61		
Total receipts p'd to State Treasurer . . .				60,223.38	60,223.38	

*Estimated number of feet in sale, 13,545,000 feet.

UNIVERSITY LAND LEASES

(Act of May 17, 1913.)

TABLE XVII

	Granted		Rejected		Pending		To	Rentals Mch.16,1914—	
County	No.	Acres	No.	Acres	No.	Acres	Mch 15,1914	Mch.15,1915	Total
Pima ...	1	320					10.00	10.00	20.00

UNIVERSITY LAND DISBURSEMENTS TO DECEMBER 1, 1914

TABLE XVIII

	Scal'g & Marking	Fire Protc'n	Trav'g	Adv'g	Mscl	Total
Sale No. 1	1,685.14	235.59	97.05	30.12	7.95	2,055.85
Sale No. 2	125.28		28,65	12.25		166.18
Total	1,810.42	235.59	125.70	42.37	7.95	2,222.03

A STATE LAND POLICY

What shall be the State's permanent land policy? What shall be done with the federal government's munificent endowments for Arizona's favored institutions? Shall they be treated as a gratuity which, costing nothing, is worth neither thought nor effort, or as a sacred trust, from which, while being brought to serve its ultimate purpose, the maximum returns should be derived?

And shall this question—which is the largest now pressing for legislative attention—be considered solely from its narrowest aspect of today's dollars and cents, or shall it be considered broadly for its effect in all directions and upon the future? From which end ~~purpose, the maximum returns shall be derived~~ of the telescope shall it be viewed?

The Commission is familiar with the magnificence of the grant to Arizona; impressed with the grandeur of the opportunity for constructive State building it affords, and inspired with the hope that out of the excellence and plenty of the material at hand a structure may be erected which for all time to come will be an object of pride and gratification alike to builder and beneficiary.

Imbued with such a knowledge and such a spirit, the Commission has striven to give to its consideration of the question of a State land policy that breadth of vision and thought—that comprehension of its ramifications and related issues and subjects—which are essential to the achievement of the sought-for goal.

ARIZONA'S GREATEST NEED.

It is not remarkable that no dissenting voice is heard to the frequently-advanced proposition that Arizona's greatest and most pressing need is people—more people. With, in round figures, 113,000 square miles of territory—the equal in area of England, Ireland and Scotland; larger than Italy; as extensive as Holland, Belgium, Denmark, Portugal, Switzerland and Bavaria combined;

fifth in size of the States of the Union; as big as New England, or as almost any two Southern or Middle West States—her quarter of a million population truly looks pitifully meagre. With this predominant fact of area and settlement in mind, coupled with the ever-present desire for the stimulus to trade which additions of population bring, the demand for newcomers is natural, logical, and—within certain limitations—proper.

But great as this need is, and universal as the belief in its paramount importance is, it still is not and should not be regarded as the one fundamental, absorbing exigency of the hour, nor its encompassment as the future's chief goal. Back of it, somewhat obscured in the shadow cast by the constant urging of ever-present personal desires and material ambitions, stands a much greater, a real, a compelling necessity—the demand of advanced civilization, as represented by a modern, progressive commonwealth, not merely for more people, but for prosperous, contented and happy people. By thus amending and enlarging the common cry, to bring within its scope and purpose the settlement and development of the State under conditions which will reasonably insure a hopeful, self-reliant, independent race, a well-meant and generally accepted but much abused slogan is converted into a motto of wisdom, practicality and patriotism.

What Arizona needs, therefore, and what she really wants, is the peopling of her fertile but undeveloped valleys and her broad but unreclaimed mesas, on a basis of promise that peopling, development and reclamation will synchronize with a considerable, if not the highest sum of human happiness.

THE STATE'S DUTY IS CLEAR.

Arizona's duty to bring this about would be clear even though she owned none of these fine valleys and broad mesas herself; but since she does own many of them, in whole or in part, in her own name, and by that token holds the key to the situation, not only is her duty made more personal but the solution of the problem its performance involves is fairly pointed out. The problem is to convert some millions of acres of so-called desert of varying grades and classes into homes and fields and orchards—to grow a successful, enthusiastic, grateful citizen where at best a white-faced steer grew

before, or maybe only a coyote barked at the moon; and this problem inevitably attaches itself to and becomes a part of the undertaking to so utilize the generous land grants with which the State's educational, charitable, philanthropic and other public institutions have been endowed as to achieve in the highest degree the purpose of Congress in making them, and realize Arizona's hope of a material reduction of taxation necessities. Subjected, then, to the simple rule of addition, the question becomes one of so handling the State's lands as to accomplish these two objects at one time—to effect the definite, concrete purpose for which the grants were designed, and to do it by such a wise, systematic process as will correct, through the medium of prosperous, happy producers, what is admittedly a most striking deficiency in population. Having defined and connected up this great and universally recognized need with the important obligation imposed by Congress, and possessing the means of supplying the one and discharging the other, Arizona should henceforth recognize their unity, and under no circumstances permit their separation in any plan that may be considered. Knowing the full dimensions of the undertaking, the State should give no heed to proposals that will fall short of that undertaking's full accomplishment.

Arizona is the owner of 2,350,000 acres, given by the United States for the endowment of the State's public institutions. These lands are being selected with reference to carefully estimated possibilities for high development. Also, in each surveyed, unreserved township are four sections granted for the benefit of the common schools. The location of this land is fixed and it could not therefore be chosen for peculiar advantages, but being scattered throughout the State it averages well. A fair proportion of it can claim odds favoring development equal to the institutional lands, and most of it has distinct and profitable uses. These millions of acres contain a final and favorable answer to the demand for more people—not for people merely, but for satisfied citizens; hundreds of thousands of happy homes are potentialized, the energy of commerce there lies latent, and where stretches the desert are scattered the seeds of cities.

ARIZONA'S GOLDEN OPPORTUNITY.

The situation presents to Arizona an open door to distinction

in the world of advanced economic legislation. With a land problem created by the ownership of millions of acres and a population problem which comes of the natural sparseness of a semi-arid country, pressing for solution simultaneously, the opportunity for notable achievement is as conspicuous as the responsibility is great. Unfortunately, the easiest course, and therefore the likeliest to be pursued, leads sheep-like along the rut of outgrown and decayed federal and state land policies, but the course of courses for Arizona the young and vigorous, the confident and clear-visioned, unbound by tradition, unhampered by precedent, is to urge forth on a new and unbeaten track. Circumstances are wonderfully propitious, if not indeed providential. There is little in the way of existing restrictive statutes to be dealt with; in the absence of data a land policy has not been attempted, and therefore not bungled; the population problem has been dealt with only along stereotyped, and generally ineffective lines; the ground is clear, the end to be achieved plain, the means at hand. Arizona has her chance.

AN INFLEXIBLE POLICY WILL NOT DO.

The Commission is aware that the people are at present mainly divided into what may be termed two schools of thought, and their respective views concerning a State land policy are as far apart as the northern and southern poles. One school—and it is the oldest school—holds to the view that "land is land," wherever located, and regardless of varying conditions; that it is only valuable to the State as it represents so much money, the amount of which is at once determinable by multiplying the acreage by the price, and that it should be converted into money, without respect to the future or to any other consideration, as speedily as possible. This school's tocsin is, "Get the land into private ownership; get it on the tax-rolls; create wealth"; and in sounding it no thought is taken of the possibility that less precipitation and more investigation might discover a method whereby the same results could be achieved with more certainty and to a far greater degree, to say nothing of other and incalculable benefits.

The other school, composed of citizens whose aims are running in the right direction, objects to the sale of any State land, now or ever, on the theory that the enhancement in value which time will

bring will more than compensate for the forswearing of early revenues, and provide insurance against the squandering of the State's inheritance. This school recognizes the sacredness of the State's trust, and applies to it a puritanical rather than a practical interpretation. Its shibboleth, "Conserve the fortune granted to the State," is uttered without sufficient reflection that there is no conservation equal to that which assists in development, expansion and progress—which, while it does not destroy, neither stagnates, but builds, and creates, and multiplies.

To neither of these schools does the Commission belong, and yet it claims stock in both. To the articles of neither does it subscribe, and yet it would borrow from each. It does not go to the extremes of the one or the other, and yet it reaches farther than the two combined. The proposition to create wealth it applauds, and the plea for conservation it commends, because they go hand in hand, and mean the same thing, if the wealth be properly distributed and the conservation is for the many, but recklessness and waste are not synonyms for the creation of wealth, and true conservation does not mean hoarding.

The experience of other States, the net proceeds of painstaking investigation, the conclusions of conscientious study, the light of reason—all forbid the indiscriminate sale of the State's heritage. Such a policy would inevitably result in parting with the best lands at a minimum and comparatively insignificant price, and their early consolidation in the hands of a few, retarding or forever preventing development, denying homes to many and barring the door to that very creation of wealth which constitutes such a policy's chief argument.

Neither do the facts or the figures, any more than the State's broader requirements and the people's ideals, support an all-leasing policy. Estimates might truly be made which, if hypothecated upon actual conditions, and those conditions could be regarded as universal and inflexible, would show marked advantages of income to the State, in the long run, favoring the policy of leasing. But Arizona is a land of almost unlimited conditions, and no fixed plan will fit them all. Much of the land that cannot be leased at all may with proper development be sold at remunerative prices, and at the same time insure the making of homes and the creation of wealth.

Much that cannot be sold, without sacrificing the hope of development and closing the door to a splendid future, may be leased for a consideration worth while.

DEVELOPMENT AND ADMINISTRATION GO HAND IN HAND.

It is the Commission's profound conviction that the development of all lands belonging to Arizona, both school and institutional, should be intimately associated with their administration and disposition; in other words, that before title to an acre is parted with, the dedication of that acre to its highest and most important economic use should be insured.

This declaration, we are aware, invites the charge that it is radical—some will say revolutionary—but so does every departure from the beaten road, and so does every suggestion of interference with the cutting of those luscious melons which specially-favored individuals have been wont to look forward to and rely upon. By such means and such means only, may the stupendous economic loss which has heretofore been synonymous with so-called systems for the handling of State lands be eliminated; thus and thus only may the curse of the speculator be removed; thus and thus only may the objects for which Congress designed its munificent grants be achieved in full degree, and thus and thus only may Arizona's limitless ranges be populated with people rather than cattle and the desert places transformed from comparative waste to a land of the vine and fig.

Briefly, the Commission advocates a policy of land efficiency, elimination of energy- and money-waste, clear understanding and hearty co-operation between government and citizen. The plan includes classification, demonstration, and in necessary cases reclamation, directly by the State or by co-operation with private individuals or with the federal government.

Classification should be scientific and thorough, in order that the highest use may be accurately ascertained not only of all lands belonging to the State, but also of those surrounding, adjacent to or in any way connected with them or affecting their development.

Demonstration would prove an invaluable chart for prospective purchasers, affording reliable information as to financial and labor

requirements, of methods, crops and probable returns, thus insuring, on a basis of reasonable diligence, energy and intelligence, that fair measure of success which is pre-requisite to a contented citizenry.

Reclamation is essential if the highest efficiency of some hundreds of thousands of Arizona's so-called desert acres is to be realized, and if the cry for population is to be adequately answered. The State can give no greater service to its people, or a larger, more lasting contribution to humanity, than to draw the water from the depths or harness its floods and thereby replace the leanness of a thirsty land with the wealth and plenty of a satisfied soil.

THE COMMISSION'S PLAN.

Reduced to more definite terms, the Commission's plan would be to determine the highest use to which the State's lands may be put; to make not only possible but practical their development to such maximum of usefulness, and then to sell them to bona fide home-makers on a basis of mutual advantage which will insure to the State reimbursement and a fair return, and to the citizen an honest roof to cover an honest head, just remuneration for his toil and enterprise and a pardonable pride in his government. In the case of lands susceptible of agricultural development the State will so realize more, directly, than by any other plan which has ever been tried or advanced, and inestimably more, indirectly, in the shape of wealth created and population gained, while the family seeking a spot on the earth's surface to call its own will be enabled to achieve that worthy ambition without assuming the frequently fatal hazards of unknown conditions or risking failure through inflated values fixed by middle-men or speculators. They will willingly pay an advance over government prices, as easy terms, favorable conditions, accurate information as to requirements, and the State's active interest in their welfare, will more than compensate for the difference. Wild-catting, the immoral practice of inducing ignorant and susceptible homeseekers, in consideration of handsome fees, to settle where they cannot hope to make a livelihood or to succeed in reclamation or development work for which they are not equipped, either financially or by experience, will come to an end, for home-seekers will soon learn to look with confidence to the State which takes a personal, sincere interest in its settlers, helps

them to success, sells them no gold bricks and discourages others from doing so.

An easily comprehended illustration of the practical working of the proposed plan is supplied by several districts in which irrigation by pumping has passed the stage of theory and become a practice. In almost all of these districts the State owns considerable land, awaiting the well-driller, the brush-clearer and the ploughman. The needs and requirements of the prospective settler are known—have been made known by actual settlers. The depth to water, the sort of a well required and the area it will irrigate, the cost of a plant, the products that may be grown and when, and all of those things which go to reduce agriculture to a science, are matters of definite information. What the State should receive for this land—i. e., what the prospective home-maker can afford to pay, or in other words, the capitalization upon which he can make a success and be insured a sufficient reward for his industry—is easily ascertainable. At such a price, and on terms—say twenty-year payments—so easy as to increase the insurance against failure, this land should be sold, in acreages limited by conditions, to actual settlers who are first advised not less clearly of the obstacles they must overcome than of the advantages they will enjoy.

Thus far the plan is simple enough. The pioneer has already performed the work of classification and demonstration, and all that remains is to attract other settlers. Its importance grows, however, as it comes to comprehend the valleys and mesas, great and small, aggregating many hundreds of thousands of acres, which, possessing possibilities, have nevertheless, by reason of the difficulties they present, been left to the cactii, the horned toad and the lizard, or at best furnish range for wandering herds. In the light of past and current achievements, he is indeed a pessimist, an indifferent student or an interested complainant against the will of progress, who contends that these great uncharted areas are incapable of higher development, but certain as it is that their virgin soil contains the answer to Arizona's cry for population, it is equally certain that the answer will not be forthcoming without a supplementation of the efforts of individual settlers. The struggles and trials of pioneers have availed much in the country's settlement, but the peculiar nature of Arizona's unreclaimed stretches calls for something besides pioneering, something additional to

the enduring of hardships and privations, something more than unaided bull-dog tenacity and physical perseverance. In these areas nature has set a task too great for one person, however willing, however intelligent, however persistent. Leaving aside the places which will respond only to the investment of capital for extensive works, a course of investigation and experimentation is required, too technical and too expensive for the average person seeking a home. Co-operation is necessary, and such co-operation there should be, between the State, which owns the land and seeks population, and the settler, whose brain and brawn, if given a fair opportunity, will add the touch of transformation.

The State owns much land, now employed for grazing only, where agricultural development, through the medium of irrigation by pumping, is doubtless practicable. The actual possibilities, however, and the prerequisites to success are indefinite if not unknown. Under the circumstances home-seekers could not afford to assume the hazards of settlement, and in most cases would fail if they should. It is cumbersome and impractical for numbers of them, inexperienced and with diverse interests and many ideas, to combine for the work. The situation presents no allurements for private capital, for the State owns the land, and the State Constitution wisely precludes its sale in large tracts such as private capital, seeking plethoric profits, with their attendant hardships upon the settler, demands. It remains for the State, not only in the performance of that highest function of government which seeks first the happiness and welfare of its people, but as well in its capacity as a far-sighted, forehanded, prudent business organization, to provide means to the desired end. It remains for the State, after ascertaining the areas giving promise of the least expensive and most certain development, to demonstrate what is required for such development—to determine, in short, accurately and in every essential detail, those things which in numerous and more highly-favored districts, heretofore referred to, have been determined and demonstrated by the settlers themselves. Where irrigation by pumping is found practicable, the State should erect model plants, to serve not only as authentic patterns for other plants within their several carefully defined districts, but to afford a basis for information invaluable to prospective makers of homes as well as for the proper valuation of the land. To be sold

with the land on which situated, the plants need not represent a loss in any sense, or even an expense, but merely a stock in trade to be carried for a short time only. Both from the economic standpoint of the citizen and the mercenary standpoint of the State as a going business concern the investment would prove highly profitable, for what the settler could probably not do at all, or only at a ruinous and prohibitive cost of time and money, the State could do at a minimum of expense with a maximum of efficiency, and be assured manifold reimbursement. To cover the probability of areas —in fact, numbers of such are known to exist—so situated and conditioned as to be more efficiently and economically reclaimed by means of plants of larger than individual capacity, the plan might well be broadened.

Nor should there be any hesitation or backwardness about including within the scope of this general policy, of developing while administering and disposing of the State's lands, comprehensive provision for assisting and promoting, and when necessary entirely assuming reclamation projects involving the construction of storage and diversion works to serve lands owned wholly or partly by the State.

In cases where bodies of land are owned wholly by the State, and the sites for storage and rights to the water necessary for their reclamation are in private ownership, a definite means should be afforded whereby co-operation on an equitable basis, but under State control, will bring about the construction of the necessary irrigation works and the development of the State's lands. Since the law prohibits the placing of an encumbrance upon the lands granted to the State, they could not be employed as a basis of security for the purchase of water rights in a project designed for their development, but there is entire feasibility to the plan for the State to enter into mutually conditioned contracts for the purchase of such water rights, to be in turn transferred to and paid for by the purchasers of the State's land, and as a further aid and encouragement to the owners of the project, to invest the inviolable trust funds arising from the sale of lands in a certain percentage of the bonds or stocks of the enterprise. It were difficult to conceive a safer investment than the one afforded by a reclamation project that would be required to withstand the State's engineering investigation, meet all

of the State's requirements as to construction and operation, and remain virtually under State control until paid for and transferred to the ownership of the settlers under it. And it were still more difficult to imagine a more remunerative scheme for the disposition of the lands owned by the State, which are situated favorably for reclamation by stored waters.

Many other combinations, presenting opportunities for reclamation and development by means of safe and sane co-operation between the State and other parties in interest, will be found, and legislative authority adequate to meet the requirements of each such situation should be provided. There is no good reason why the State should not be the senior business partner in every sound, legitimate enterprise for the development of its own property, and the big brother of every settler and home-maker who proposes, by the investment of his capital, brain and brawn, to assist in making green the desert places.

FEDERAL CO-OPERATION AND STATE RECLAMATION.

Co-operation with the federal government should also be looked to as a practical means, in appropriate cases, of solving the State's well-nigh unlimited reclamation problem. In view of the numerous instances in which such co-operation, in this State, would be feasible, and of the recent, enthusiastic declarations of the Secretary of the Interior favoring such plan of development for the so-called arid Southwest, the subject takes on unusual significance. The Secretary proposes, roughly, that the federal government's receipts from the lease of coal, oil and phosphate lands, and of water and electrical power sites, be invested in co-operative reclamation enterprises. This suggestion is significant and timely, and should meet with a prompt response from Arizona, which has no need greater than that of developing its practically limitless natural resource of cultivable land.

The recommendation is offered that the duty be imposed upon the State Land Department of making an investigation of such storage or diversion projects within the State as appear to be peculiarly adapted for construction in co-operation with the United States, or by the State independently, and of placing the essential facts with

respect thereto before the next Legislature, accompanied by recommendations relating to the physical requirements, and to the formulation of a legislative program for gradually and systematically carrying the policy of State reclamation into profitable and beneficial effect. For the present, such authorization would seem to meet the demands of prudent, cautious governmental enterprise, while preparing the way without undue loss of valuable time, for important activities.

IMMEDIATE NEEDS.

It would be unwise, however, to delay all movement in the direction of actual reclamation, and so far as the same may be effected by minor operations all necessary legislative authority should be at once extended.

The Commission recommends that power be conferred upon the State Land Department, as a preliminary to offering for sale the lands affected, to conduct investigations and experiments, with the assistance of the State Engineer and State Agricultural College, for the purpose of determining the requirements and demonstrating the possibilities of agriculture within areas adapted for dry farming, with or without supplemental waters secured by flood embankments or pumping, or for irrigation by pumping from shallow wells; and authority to enter into co-operative contracts with individuals, companies or corporations owning irrigation works or sites and water privileges for irrigation works, for the reclamation of State lands. For the last named purpose, authority should be given for the investment of moneys derived from the sale of lands and deposited in inviolable trust funds, under such conditions as will safeguard the funds and offer no conflict with the laws relating to their investment.

SALE OF STATE LANDS.

In harmony with the views heretofore expressed, the Commission recommends that authorization be given for the sale of lands capable, by any known and demonstrated method, of successful agriculture, not more than one-fourth of the cultivable area of State lands in a section, in excess of 160 acres, to be sold in any one year.

To prevent the sale of lands of questionable value for agricultural purposes or the adaptability of which has not been insured by demonstration, no lands should be sold for less than ten dollars per acre, and none for less than the appraised value thereof, ten per cent of the purchase price to be paid down, and the balance in payments extending over a period of twenty years, deferred payments to draw five per cent interest. To these conditions must of course be added such as are imposed by the Enabling Act and the Constitution, while the authority to prescribe all necessary rules and regulations should be vested in the State Land Department.

RECLAMATION PROJECT LANDS.

Under established reclamation projects, whether owned by the government or by individuals, companies or corporations, the proposed limitation of sales to 160 acres in a section should be removed, as most of the State land so situated is already under a fairly high state of cultivation or has already reached an approximation of its true value. Sales of such lands should be limited to eighty acres or less, and the minimum price fixed at fifty dollars per acre, or at a price sufficient, after providing reimbursement for such water rights as it might be found expedient to purchase for the land, and such improvements as may be appurtenant to them, to net fifty dollars per acre.

ANOTHER EXCEPTION.

Extended reference is in another place made to the pending exchange of lands in the Navajo and Moqui Indian reservations for lands widely scattered over the State; to the Commission's objections to the exchange, and to the fact that a few settlers and some other innocent purchasers of small amounts of the so-called scrip may suffer embarrassment in the event that the exchange shall be disapproved. In order that these settlers and innocent purchasers of scrip for small tracts of land may be protected against unnecessary hardship, a practical plan of State aid is suggested. The Commission recommends that the State Land Department be authorized, upon the disapproval of the proposed exchange, or any portion thereof, to select such of the lands as by the act of disapproval become public lands of the United States, in satisfaction of the grant

for the payment of the bonds and accrued interest thereon, of Maricopa, Pima, Yavapai and Coconino counties, and upon securing title thereto to offer the lands for sale, without restrictions or limitations as to price or acreage other than are imposed by the Enabling Act and the Constitution, and under such provisions of statutory law and such rules and regulations of the State Land Department, not inconsistent with the Enabling Act and the Constitution, as will favor their sale to the persons dispossessed. By this means actual settlers upon lands involved in the attempted fraudulent exchange, or persons having improvements thereon, can be afforded relief to the extent of 160 acres of agricultural land or 640 acres of grazing land, without loss to the State or serious departure from the general land policy which has been outlined.

LEASING OF STATE LANDS.

Provision should be made for leasing, in conformity with the requirements of the Enabling Act and the State Constitution, and under rules, regulations and rates to be prescribed by the State Land Department, of all lands desirable only for grazing purposes and all other lands not designed for early sale.

CONSTITUTIONAL LIMITATION ON GRAZING LAND.

Section 11, Article X, of the State Constitution, provides "that no individual, corporation or association shall ever be allowed to purchase or lease more than one hundred and sixty acres of agricultural land, or more than six hundred and forty acres of grazing land."

The conception of this Constitutional limitation was beneficent and its purpose just, the aim being to prevent the accumulation and monopolization of large areas in the ownership or control of favored persons, to the injury of small farmers or stock-raisers and to the detriment of the State. The Commission would not recommend the removal of this or any other safeguard against monopoly. It is suggested, however, that the restriction goes further than is necessary, and to that extent causes loss and helps to defeat its own purpose.

There are a number of localities in the State, adapted only to

the grazing of cattle, where hundreds of school sections are lying idle, or are being utilized without compensation, because of the limitation with respect to leasing. They are so situated that one section has no attractions for a stockman, big or little, and in some cases the same might be true of half a dozen sections, or more. Water is scarce and its development expensive. Without a considerable range appurtenant, the expenditure involved in the development of water is not justified. The small stockman who, under other and more favorable conditions, might find a single section desirable, has no use for it in a locality where there is no water. He has not the means for the development or water, and if he has its development is not justified by a range limited to six hundred and forty acres. Therefore the little stockman is not protected or benefited, in such cases, by the limit imposed by the Constitution. The consequence is that the land lies idle, without revenue to the State, or some big cattle outfit, controlling the range by virtue of the possession of scattered sections and all the available water in the neighborhood, runs its cattle over the school lands as over the public domain, and has the very potent excuse for failure to reimburse the State, that it is not allowed by law to lease more than a section.

The Commission recommends that a Constitutional amendment be referred to the people, removing the limitation so far as it affects the leasing of grazing land, and that, by statutory enactment, the State Land Department be empowered to impose such restrictions, and to adopt such rules and regulations with respect to the leasing of grazing lands as may be necessary to prevent monopolization. In this wise the beneficient purpose of the Constitutional limitation can be subserved, and its ill effects averted.

IMPROVEMENTS.

The Commission is steadfast in the belief that the State should be held in no wise responsible for improvements placed upon any State lands, and that no compensation or reimbursement should be provided therefor, upon the expiration or surrender of leases, or at any other time. The State is now involved in complications, relating to reimbursement for improvements placed upon school lands prior to statehood, the settlement of which will be attended by

losses greater than the total of the rentals realized since 1897, when the law providing for reimbursement was passed. In addition to these losses many lessees will be dissatisfied with appraisals placed upon their improvements and litigation, alike expensive to pocket and injurious to disposition, will ensue. Every consideration of State responsibility for improvements on leased land is an evil to be shunned.

The present law, however, which vests in the State the title to all improvements on leased lands, acts somewhat as a deterrent to leasing. Although in actual practice the lessee is accorded ample protection against loss, the feeling is more or less general that the provision is unnecessarily stringent, and it is believed that but for it there would have been a considerable increase in applications for leases. To remedy this situation, the Commission recommends that the lessee be permitted, prior to or upon the expiration of his lease, to remove all buildings, fences, corrals and other transportable improvements as he may have placed upon the land, or to sell them, with the permission of the State Land Department, to a succeeding lessee. As a further safeguard against the loss of improvements, the lessee should be accorded a preferred right of renewal, at a reassessed rental to be fixed by the State Land Department, when, upon the expiration of the lease, the land described therein is to be re-leased.

IMMIGRATION COMMISSIONER.

In order that the best results may be secured from the administration, by sale and lease, of the State's lands, an official should be designated by an appropriate title, such as immigration commissioner, to serve with and under the appointment and authority of the State Land Department, and to have charge of the promotion of sales and leases. The work of publicity necessarily attendant upon the specific duties of such an officer should also, in the opinion of the Commission, be expanded, to include in their scope the acquirement and dissemination of accurate information respecting all counties, towns, districts and industries of the State, whether directly connected with the sale and leasing of State lands or not.

COLONIZATION.

Through the activities of such an officer, and by means of laws appropriate to the carrying into effect of the State land policy which has been outlined, desirable colonization enterprises could and should be especially encouraged.

WILD-CATTING.

The Commission has frequently dwelt upon the evils and ills of the practice of land "wild-catting", by means of which unscrupulous agents induce unsophisticated people to settle or file upon government lands so situated as to render the making of homes highly improbable, if not indeed impossible. This species of crime cannot be too severely condemned, nor its injury to the State in which it is practiced too clearly understood. Legislation which will constitute wilful misrepresentation respecting unimproved lands a felony is again urged. It is believed that a division of publicity, such as has heretofore been suggested, will go far toward the prevention of "wild-catting."

MISCELLANEOUS SUBJECTS

ESTABLISHMENT OF FUNDS.

Particular attention is called to the necessity existing for the establishment, by law, of separate funds corresponding to the different purposes for which lands, granted or confirmed by the Enabling Act, are being administered by the Commission.

Confirmatory of a similar requirement contained in the Enabling Act, Section 7, Article X, Constitution of Arizona, provides:

> "A separate fund shall be established for each of the several objects for which the said grants are made and confirmed by the said Enabling Act to the State, and whenever any moneys shall be in any manner derived from any of said lands, the same shall be deposited by the State Treasurer in the fund corresponding to the grant under which the particular land producing such moneys was by said Enabling Act, conveyed or confirmed.
>
> "The State Treasurer shall keep all such moneys invested in safe, interest-bearing securities, which securities shall be approved by the Governor and Secretary of State * * *."

This requirement of the Enabling Act and mandate of the Constitution has not been fulfilled, though the Commission has placed in the hands of the State Treasurer moneys received for at least three of the purposes "for which the said grants were made and confirmed." These moneys have been placed by the Treasurer in special funds, pending the establishment of the funds appropriate to them.

PERMANENT SCHOOL FUND.

Though all of the grants of land made and confirmed by the Enabling Act are designed for, and if wisely administered, will effect a common end—that of relieving the citizens of the State of burdensome taxation—and therefore should be guarded in each instance with the same jealous care, no other one of the trusts accepted by the State is in its nature as sacred, nor in its magnitude as important as that dedicated to the common schools. In the establishment of the fund, therefore, which shall serve as the depository of the moneys received from the grant for common schools, the utmost care should be exercised, to the end that the great and beneficent heritage bestowed upon Arizona's children may be honestly conserved, and not frittered away—to the end that the plenty of today may not only perform its present duty, but be employed as insurance against the needs of the future.

The Commission most earnestly recommends the establishment, not merely of a school fund, a temporary abiding place for the moneys derived from the several common school grants until they can be dissipated by apportionment, but of a permanent, inviolable school fund, into which all moneys received from the sale of school lands shall be placed, for investment in "safe, interest-bearing securities," and of which only the income may be used.

Into such a fund should also be placed the proceeds of sales, by the United States, of public lands lying within the State, in accordance with the requirements of Section 27 of the Enabling Act, as follows:

> "Sec. 27. That five per centum of the proceeds of sales of public lands lying within said State which shall be sold by the United States subsequent to the admission of said State into the Union, after deducting all the expenses incident to such sales, shall be paid to the said State to be used as a permanent inviolable fund, the interest of which only shall be expended for the support of the common schools within said State."

From the above source there has been paid into the State Treasury the sum of $7,362.26, which may be said to constitute the foundation or nucleus of a permanent inviolable school fund, created by the wisdom of Congress. Reinforced by the proceeds of such school lands as may be ordered sold, it will in after years justify the foresight of its founders.

The Enabling Act also provides that after the payment of the bonds and accrued interest thereon of Maricopa, Pima, Yavapai and Coconino counties, for which one million acres was granted, the proceeds of the sale or lease, rents, issues or other profits of the remainder, "shall be added to and become a part of the permanent school fund of said State, the income therefrom only to be used for the maintenance of the common schools of the State."

From the various sources at hand a permanent fund can within a comparatively few years be created, the income from which, when joined to the revenue from school land leases, will wholly support the common schools of the State, and do it well.

SCHOOL LAND INCOME FUND.

Under the terms of the Enabling Act and the Constitution the income from the permanent inviolable school fund, and any moneys derived from the grant of lands for common school purposes, may be devoted to the support of the common schools. As has been suggested, the proceeds from the sale of school lands should also

be placed in a permanent fund, but rentals, which constitute an income comparable to that of interest, should, with the income from the inviolable fund be placed in a school land income fund, and apportioned as other school funds are apportioned.

In providing for the apportionment of the funds at present in the hands of the State Treasurer, cognizance should be given to the circumstance that the moneys received for permits to March 15, 1913, were by error distributed to the counties from which they came, as under the Territorial law. By this error—in addition to the feature of its illegality—some counties received sums greater than their proper apportionment, while others received less. The discrepancies can be easily adjusted in the apportionment of the school land rental moneys now in the State Treasury. At the same time there should be taken into account certain sums, paid to the various counties by school land lessees prior to Statehood, and which, though credited on the first year's permits issued by the Commission subsequent to Statehood, were retained by the counties.

UNIVERSITY LAND FUND.

The university land fund is the beneficiary of two grants—that of February 18, 1881, which, as set forth in detail in another part of this report, consists mainly of timber lands in Coconino county, and the grant made by the Enabling Act, of 200,000 acres of land, which is being selected.

It will be unnecessary to add, in setting forth the Commission's views, to what has been said regarding the desirability of the establishment of a permanent inviolable university fund, in which—conforming to the plan proposed for the permanent school fund—should be deposited all moneys received from the sale of university land, or from the sale of university timber, the income from such permanent fund and the proceeds of university land rentals only to be used. Upon the basis, on one hand, of practically assured receipts from timber sales, and on the other hand, of the establishment of a progressive policy of State land development, the Commission believes it is not extravagant in estimating that within twenty years the annual revenue from the permanent university land fund and rentals will equal the income on a capitalization of three million dollars.

AGRICULTURAL AND MECHANICAL COLLEGES AND SCHOOL OF MINES.

Paragraphs 4501-4505, Chapter 3, Title 42, Revised Statutes 1913, reserve the grant of 150,000 acres for agricultural and mechanical colleges, and the grant of 150,000 acres for a school of mines, as made by the Enabling Act, and the proceeds of said lands as sold or otherwise disposed of, to the college and school respectively of the characters designated by the grants, now established by and in connection with the University of Arizona. The paragraphs cited also authorize the Board of Regents of the University "to expend such portion of the university fund and such other funds as may be provided for the said university as they may deem expedient for the erection and furnishing of suitable buildings, and the support and maintenance of said university."

The Commission is strongly of the opinion that this authorization is exceedingly short-sighted liberality. It makes of the rich university grants heretofore enumerated, as well as of the grants for agricultural and mechanical colleges and school of mines, merely checking bank accounts, to be dissipated as fast as accumulated, according to the wishes and enthusiasm of the university regents. It provides no legislative restraint upon expenditures either for maintenance or improvements, and makes no provision for the future.

Repeating what has already been said, the Commission urges that permanent inviolable funds be established not only for the university, but for the agricultural and mechanical college and the school of mines which are integral parts of the university, and that to such extent the provisions of Paragraph 4501-4505 be repealed.

COUNTY BOND FUND.

For all other purposes for which grants to the State were made and confirmed by the Enabling Act, with a single exception, the Commission likewise recommends the establishment of permanent inviolable funds, in accordance with the plan proposed. The exception is the million-acre grant for the payment of the bonds and accrued interest thereon issued by Maricopa, Pima, Yavapai and Coconino counties, validated by Congress and funded into Territorial bonds. These bonds, having yet fourteen years to run, represent a burden that can be discharged in no other way than by the sale of the lands granted for that purpose. The principal of the proceeds of such sales should be employed, therefore, first in discharging the periodical

interest payments on the debt, and second, in the creation of a sinking fund which with the accumulating earnings thereof will be sufficient to retire the bonds when due.

This plan, however, should not be suffered to destroy, weaken or alter the State's general policy of land administration, which, like a piece of machinery, will be no stronger than its weakest part. The same policy of classification and development which, with respect to the lands granted for school and other purposes, may be relied upon to work to the State's greatest good, should be applied without deviation to the immense grant—almost equal to all other institutional grants combined—for the payment of county bonds. In other words, this body of land should not be sold indiscriminately, without preparation or selection, merely on the theory that it must be sold quickly. That would mean the adoption by Arizona of the most glaring error—if indeed it might not be better denominated an evil—into which many other public land States, to their great regret, have heretofore fallen. The land should be sold gradually, as it is susceptible of development—first, and immediately, that upon which homes can be at once established and successfully maintained, and as the State's policy of progressive development permits, other bodies, fit for the best efforts of the husbandman, should be disposed of.

DISPOSITION OF MONEYS.

That the moneys which may be deposited in the several permanent inviolable funds shall be carefully administered and skilfully disposed is no less important than the establishment of the funds themselves. Without the latter, to be sure, the funds would fail, partially at least, of their purpose.

The Enabling Act and Constitution provide, with reference to the trust moneys resulting from the administration of the lands granted by Congress, that "the State Treasurer shall keep all such moneys invested in safe, interest-bearing securities, which securities shall be approved by the Governor and Secretary of State * * ."

There remains to determine what securities shall be classed as "safe", and whether or not other approval than that of the Governor and Secretary of State shall be required.

The Commission recommends that with the approval of the Governor, the Secretary of State and the State Land Department, the State Treasurer may invest the trust moneys of the several

permanent inviolable funds in State, county, municipal and school district bonds; in the bonds and preferred, dividend-guaranteed stock of irrigation enterprises approved by the State Land Department, and in connection with which the State owns not less than twenty-five per cent of the land being or to be reclaimed, such investment not to exceed sixty per cent of the total amount sold of any such issues of bonds or stock; and in first mortgages on improved farm lands, such loans not to exceed fifty per cent of the assessed value of the land, and in no case more than $5,000. Not less than four per cent interest net should be required in the case of State, county, municipal and school district bonds, and not less than five per cent for all other investments.

Particular attention is directed to the recommendation relating to loans on improved farm lands. Several States have adopted this mode of investing trust funds, and have found it exceedingly satisfactory, as it serves the double purpose of a safe, lucrative field for investment, and of encouraging agricultural development and agricultural success. With the exercise of proper care there need be no losses whatever.

Attention is also called to the recommendation respecting the investment of trust funds in a limited amount of the bonds or preferred, dividend-guaranteed stock of irrigation enterprises under which not less than twenty-five per cent of the land is owned by the State. Such a provision will afford a much needed flexibility to the State's policy of land development prior to sale, and render possible a progress not otherwise likely to occur. As an ample safeguard against loss conditions should be imposed requiring, in all such cases, State investigation and approval of plans, supervision of construction, and the execution of contracts covering operation methods and charges, along lines similar to the provisions contained in Arizona's acceptance of the Carey Act.

CAREY ACT.

By the provisions of Chapter 96, Regular Session, Laws 1912, amended by Chapter 8, Title 43, Revised Statutes 1913, Arizona accepted the provisions of the federal Acts relating to the reclamation of desert lands (28 U. S. Stats., 422, and amendments), commonly known as the Carey Land Acts.

The essential provisions of the federal Carey Land Acts, in brief, are that the United States obligates itself to set aside, upon proper

application from any of the States containing desert lands, one million acres thereof, which is to be donated, granted and patented to such State, or its assigns, free of cost, upon condition that the land shall be irrigated, reclaimed and occupied, not less than twenty acres of each 160 to be cultivated by actual settlers.

By the Arizona Act of acceptance provision is made that the State shall sell the land to actual settlers, in tracts not greater than 160 acres, at a price not to exceed fifty cents per acre, twenty-five cents to be paid at the time of entry and twenty-five cents at the time of making final proof, conditioned upon the fulfillment of all the rules, regulations and requirements of the Secretary of the Interior and of the State. Each application to enter land must also be accompanied by a certified copy of a contract for a perpetual water right, made by the applicant with the person or corporation authorized by the State to furnish water for the reclamation of the land.

The administration of Carey Act projects is made a duty of the Commission, and all applications for the withdrawal of land, plans and specifications for the construction of reclamation works, contracts for the same and contracts for water and water rights between the applicant proposing to reclaim the land and the settlers upon the same, are subjects under the Commission's control.

APPLICATIONS

The Commission has received two applications for the temporary withdrawal of lands under the Act of March 15, 1910 (36 U. S. Stats., 237):

Application No. 1, by Eleanor C. Wittman, of Morristown, N. J., for approximately 30,000 acres in township 4 north, ranges 3 and 4 west; township 5 north, ranges 3 and 4 west; and township 6 north, ranges 3 and 4 west.

Application No. 2, by S. H. Woodruff, of Los Angeles, California, for approximately 20,000 acres in townships 6 and 7 south, ranges 12 and 13 west.

The first application was denied on the ground that the land which the applicant wished withdrawn was unsurveyed, and had been withdrawn for survey and selection by the State in satisfaction of its institutional grants.

The second application was, after preliminary investigation, approved, and the land embraced within it temporarily withdrawn.

An engineering examination, to determine the feasibility of the proposed project, is now being made. If such examination demonstrates, to the Commission, the practicability of the project, and a satisfactory contract for the reclamation of the land under it can be arranged, application will be made to the Secretary of the Interior for the segregation of the land.

MERITS OF THE CAREY ACT.

On the whole, the results of the operation of the so-called Carey Acts, in the States which have accepted the provisions thereof, have not been entirely satisfactory. This is believed to have been largely due to careless or indifferent State supervision, resulting in the approval of unfeasible projects or in excessive costs for the construction of reclamation works and consequent burdens upon the settlers which the value of the land reclaimed failed to justify. The law has also been abused by speculators, who through its provisions have been enabled to acquire large tracts of land without residence or cultivation and thus defeat the purpose of the legislation, which, in addition to effecting the reclamation of the arid lands, was designed to afford a practical opportunity for the acquirement of homes by actual settlers. An attempt to correct existing defects in the federal law, and to surround it with safeguards which will insure development and settlement, is the purpose of a bill introduced in the United States House of Representatives, March 31, 1914, by Hon. Carl Hayden of Arizona.

Inasmuch as practically all of the lands in Arizona susceptible of reclamation have been selected or withdrawn for selection by the Commission, for the purpose of satisfying the institutional grants and indemnity rights of the State, it is not likely that a great many Carey Act projects will be promoted in Arizona.

To the extent, however, that opportunity may be found for their proper promotion, the acceptance of the provisions of the federal law should prove, under competent State supervision, beneficial.

PROPOSED SANTA FE PACIFIC EXCHANGE.

In the performance of its duties as the representative of the State government in matters affecting the lands of the State, the Commission, on September 8, 1913, formally protested to the Secretary of the Interior against approval of the pending exchange of

some 426,581.50 acres of land owned by the Santa Fe Pacific Railroad Company, in the Moqui and Navajo Indian reservations, for lands selected in other parts of the State, and of 21,095.77 acres owned by the New Mexico & Arizona Land Company, in the Navajo Indian reservation, for a like acreage of land near the town of Winslow, within the area withdrawn for the Little Colorado River project.

WHY THE COMMISSION PROTESTED.

Following its creation in 1912 the Commission was advised, by many citizens of the State, that an attempt was being made—and to some extent had already succeeded—to exchange the worthless lands of the Santa Fe Pacific Railroad Company, within the Moqui and Navajo Indian reservations, for lands of much greater value widely scattered over the State.

So numerous and so insistent became the charges that this so-called scrip was being employed in utter disregard of the requirement that the lands selected should be equal in value with those represented by the scrip, that the matter became a constant subject of discussion by the First State Legislature. A memorial calling upon the Secretary of the Interior to suspend all pending lieu selections in Arizona was passed by the Senate and recommended for passage by the House Committee on Public Lands, but owing, as the Commission was informed and believes, to an immaterial difference of opinion as to its proper wording, was not finally acted upon by that body. There appeared to be, however, practically unanimous opposition to the proposed exchange, and many of the members personally urged the Commission to exert itself to prevent what they conceived to be a great fraud. The Commission took the position that it would do so, in the event that an investigation should disclose the justice and propriety of such a course.

To that end, an examination was made, in conjunction with other duties, both of the lands relinquished and the lands included within lieu selection lists, and the conviction was reached by the Commission that it would fail in its duty as an official body having in charge the State's interests, as they are affected by the disposition of the public lands, if representations were not made to the Secretary of the Interior looking to the prevention of the pending exchanges.

HISTORY OF THE SCHEME.

The following outline of the attempt being made to exchange a large body of worthless land in the Painted Desert for exceedingly valuable lands throughout the State is quoted from a letter of the Commission, dated July 14, 1914, to the State Taxpayers' Association of Arizona, in response to a request for information regarding the Commission's expenditures in connection with its protest:

"The Santa Fe Pacific Railroad Company owns the odd-numbered sections of land forty miles on either side of the Atchison, Topeka & Santa Fe railroad in Arizona, acquired under the Atlantic & Pacific railroad land grant Act of 1866. North of the railroad, in the counties of Apache, Navajo and Coconino, this vast grant extends into the Moqui and Navajo country. The land is virtually worthless, so far as practical use is concerned, but that it contained possibilities for the railroad-owner events have shown.

"Into the Indian Department Appropriations Act of 1904 there crept an obscure provision, the conception, source and purpose of which are not now of so much importance as its effect, 'that any private land over which an Indian reservation has been extended by Executive Order, may be exchanged at the discretion of the Secretary of the Interior and at the expense of the owner thereof, and under such rules and regulations as may be prescribed by the Secretary of the Interior, for vacant, non-mineral, non-timbered, surveyed public lands of equal area and value and situated in the same State or Territory.'

"From there on the way was clear. The 'private lands' were the alternate sections of the Santa Fe Pacific Railroad Company in the Moqui, Navajo and Zuni reservations in Arizona and New Mexico—twin victims, through many a dark and dreary day of territorialism, of more or less legalized plunder. Worthless as were these 'private lands,' there is nothing to indicate that the railroad company's highly organized manipulators feared, or in fact had reason to fear, the discretionary and regulative powers vested in the Secretary of the Interior, or even viewed with alarm the requirement that the exchanges made possible by this law should be for lands of 'equal value.'

"On the heels of the license secured, Indian missionaries and Indian agents began to discover how essential it was, 'for administrative purposes,' 'to prevent conflicts with whites,' 'because more room was needed for the Indian herds,' and for other imaginary reasons, that the railroad company's title to lands in the reservations named should be eliminated. It would be interesting, even at this late date, if a sight might be had of the Santa Fe Pacific Railroad Company's 'yellow dog' accounts of that period, wherein should appear evidences of favors to missionaries and agents.

"Exchanges were authorized, according to design and program, and the State Land Commission feels perfectly secure in asserting that without a single exception, in either New Mexico or Arizona, they were outrageous, shameful perversions of a pernicious law, the true origin of which may only be surmised, by means of which the Santa Fe Pacific Railroad Company has profited to the extent

of millions of dollars, and every principle of morality, fairness and equity to the Government and to the people has been sacrificed on the altar of corporate rapacity and corporate influence.

"Under the Moqui exchange—the first one with which the present controversy has to do—345,000 acres of alternate railroad sections in the Moqui reservation were to be exchanged for a like area of 'equal value' in other parts of the State, the first selections being made in 1910. The exchange was effected by means of so-called scrip, which the company sold, generally through brokers, to whoever would buy, most of it going to a very few, in very large blocks.

"Here is the point at which the enormity of the fraud can best be made clear. This Moqui land—though some of it is of a better grade than the utterly worthless territory of the later so-called Navajo exchange—is so insignificant in value that in no legitimate way, even though it were not a part of an Indian reservation, could the railroad company ever have realized out of it an appreciable sum. Regardless of this, the company placed its so-called scrip, supposed to be exchangeable for land only of 'equal value,' or valuelessness, on the market at two dollars and a half an acre, the brokers through whom it was retailed in turn charging three dollars an acre and more. An altogether liberal valuation of the land would be twenty-five cents an acre, yet the scrip which stood for it, costing the buyer from two fifty up, was applied to carefully selected land—in fact, the best unappropriated land in the State—certain to become very valuable, in bodies as great as 70,000 acres, in no instance worth less than the price paid for the scrip and in many cases easily worth twenty-five dollars an acre. If all the selections made had been approved the company's profits out of this particular enterprise would have approximated nine hundred thousand dollars, that of the speculators who joined in the scheme hardly to be estimated, the United States would have been robbed of 345,000 acres of the choicest land in Arizona, and the State's development retarded in almost the entire proportion that the land in question bears to the total amount of territory, undeveloped but susceptible of development, in the State. The fraud did succeed to the extent of patents issuing, under a regime to which the law's requirement of 'equal value' presented no insurmountable obstacle, for 245,000 acres, and by that means the railroad company received over six hundred thousand dollars for a hopeless, irreclaimable desert not worth, at the maximum and under the most favorable conditions, a tenth of that sum. About 100,000 acres of the selections involved in this exchange are pending, and unless official sanction should be given to theft, on the ground that part of the swag has already been removed, will continue to pend until they die the death they deserve.

"But this Moqui scandal, bad as it is, is eclipsed by the Santa Fe Pacific Company's latest effort in frenzied land finance—the so-called Navajo exchange. It followed the exhaustion of the Moqui scrip, and has few, if any, parallels in the annals of public land peculations.

"By Executive Order of January 8, 1900, a tract of land west of and adjacent to the Navajo Indian reservation was 'withdrawn from sale and settlement until further ordered.' By Executive Order of November 14, 1901, a similar tract, south of that above mentioned and also connecting with the Navajo reservation, was 'withdrawn from sale and settlement until such time as the Indians

thereon (there were not to exceed fifty men, women and children within an area of one hundred miles square) shall have been settled permanently under the provisions of the homestead laws or the general allotment act.'

"In these two tracts the Santa Fe Pacific Company owned 327,402 acres of the most incomprehensibly worthless, inconceivably desolate, unbelievably God-forsaken scenery that eye ever viewed or the ingenuity of man ever thought of realizing upon. And yet it did not stall the enterprising Santa Fe land department. As will have been noted, the land did not come within the purview of the law of 1904 authorizing the Secretary of the Interior to exchange 'private land over which an Indian reservation had been extended by Executive Order,' for the Executive Orders withdrawing it from sale and settlement made no reference whatever to an Indian reservation; and the history of the withdrawals proves conclusively that there had never been the slightest thought of extending an Indian reservation over it. But as has been explained, it adjoined the Navajo reservation, and when the General Land Office issued a map of Arizona on which, without order, authority or warning, it miraculously appeared as a portion of the Navajo reservation, what was evidently considered the only obstacle to the company's enterprise had been hurdled. There followed, after the same old preliminary representations and recommendations by Indian missionaries and Indian agents, the Secretary of the Interior's authorization of an exchange, confessedly hurried through because the best lands in Arizona were being rapidly taken by homesteaders and desert entrymen.

"Thus appeared on the market the flood of Navajo scrip with which the State has since been scourged, based on land for which even the railroad-made law did not authorize an exchange, and the hopeless worthlessness of which may be sensed from the fact that over the most of its vast area no living thing—not even a rabbit, a lizard or snake—may be found or could subsist.

"It would not be unnatural to suppose that even if the certain illegality of any exchange at all did not prevent the Navajo steal, the 'equal value' clause would; but evidently the Santa Fe Pacific Company considers all things possible. The land proposed for 'exchange' is a part of the famous but little-known Painted Desert, a wild, barren, desolate waste of scenery straight, without record of achievement, excuse for existence or hope for the future. For miles it stretches without sign, thought or possibility of vegetation, and where its vari-hued sterile clay is covered with undulating, shifting ridges of sand it sustains no more than a pitiful growth of the most alkali-resistant plants. On fifteen hundred thousand acres, of which this 327,000-acre tract is a part, there is not enough available water for a decent bunch of cattle, and the principal stream —a most undignified use to make of the word—is so charged with alkali that a shingle dipped into it becomes at once briny white. There is no water for the soil and no soil to water. Such sandgrass as maintains a precarious existence is repulsed by stock, for it is repugnant to the taste and without value as food. Better forage will not grow in the volcanic clay and alkali-laden sand. If desirable grass were there it would not be available for more than a few head of stock, for water is too 'few and far between.' A careful examination of this far-reaching waste revealed a lone brindle bull, a wan and well-nigh spectral wanderer. The Navajoes do not use the land, because they can't; they do not need it, for

they have twelve million acres of better. Nobody will ever use it, or even try.

"This is the basis of the proposed 'Navajo exchange.' The history, to date, is made complete by the statement that the 327,000 acres of scrip has been peddled, at the price heretofore named for Moqui, and now represents as many acres of selections of the choicest unappropriated land in Arizona. The bulk of it is in the hands of speculators who will let it lie until time and the efforts and enterprise of others make it worth while to sell at a fancy price. Much of it has been employed in large blocks by cattlemen. Some of it was used by desert and homestead entrymen who, ignorant of the law and the worthless character of the scrip, were induced to, or being tired, chose to relinquish their filings and procure patent by a method which involved no further effort of residence, cultivation or improvement. A few of this last-named class are actual settlers, and are entitled to such protection as the law allows or can be provided. Though inconsiderable in number, and still less considerable in the amount of land involved in their selections, these well-meaning men are being used, in the desperate straits to which the Navajo scheme has come, to make a 'poor settler' fight for a cause which on its merits should have no standing outside of the criminal courts.

" 'Poor settler,' indeed. An instance of the 'poor settler' whose predicament is causing such unusual concern in quarters where the humble and lowly tiller of the soil has not heretofore been an object of solicitude, is found in the effort of a well known cattle company to gain absolute and indisputable control of 300,000 acres of excellent range by plastering 11,000 acres of Navajo scrip on the only ground in that great area where water exists or can be developed. There are other instances of the sort, the history of which should be written before the so-called 'Navajo exchange' is brought to a successful conclusion.

"The really deserving settler has ever had, has now and will have, the sympathy and support of the State Land Commission. Some of them have been deceived into thinking otherwise, but that is neither here nor there. Time will tell. Their problem is not impossible of solution—but it might well be feared that it would be if it rested upon the consummation of the Moqui and Navajo fraud, or the kindly interest of those chiefly concerned therein.

"This, for the present, will be sufficient explanation of the State Land Commission's activities in a direction apparently displeasing to some. If the money expended—not a great amount at the very worst—to prevent a half-million acre 'land grab' and the presentation of a few millions to the Santa Fe Pacific Railroad Company is begrudged by some of the 'large taxpayers' of the State it ought not to be hard to raise the sum among taxpayers who have no personal interest in the success of the fraud and return it to the Treasury. If the Commission's protest should prove successful it will be worth to the great army of not so large taxpayers and home-seekers and to the State in general five thousand times its cost in dollars and cents, and a million times in the precedent established and in the vindication of public honesty, decency and justice.

"The State Land Commission conceives that it were better to make the effort now, before its consummation, to prevent a flagrant, egregious and indefensible fraud, rather than read, five years or ten years hence, the history of another nation-wide public land scandal."

FURTHER PROCEEDINGS.

To support the State's protest against the pending exchanges, the chairman of the Commission appeared, at the request of the Secretary of the Interior, at a hearing held in Washington on June 9-11, 1914, and there presented, verbally and in writing, the detailed facts as they had been made known to the Commission by personal examinations. The hearing was thorough and searching, and was conducted by Hon. A. A. Jones, First Assistant Secretary, in a manner clearly indicative of a desire to meet the demands of justice.

What the final issue may be the Commission cannot predict. That is for the Secretary of the Interior to determine. The Commission does know that the successful conclusion of the scheme would amount to a theft of millions by its originator and chief beneficiary, the Santa Fe Pacific Railroad Company; by speculators of millions more, and the tying up in the hands of a few, of hundreds of miles of the choicest land in the State.

That some innocent, well-meaning persons are concerned to a small extent is also known. But their regrettable predicament is not hopeless. It is altogether likely that the Secretary of the Interior can find a means, in the event of the rejection of the pending lieu selections, of amply protecting such of the desert and homestead entrymen who were induced to relinquish their filings and place the so-called scrip upon their lands, as wish such protection. They will be found to be exceedingly few in number.

Failing the adoption of an adequate plan by the Secretary, for the relief of such innocent purchasers of scrip, whether prior desert and homestead entrymen or not, as may be deserving of special consideration, the Commission believes it to be within the Constitutional limitations respecting disposal of institutional grant lands, for the State to perfect means to that end, and heartily recommends that any necessary authority for the purpose be given to the State Land Department.

TAKING SCHOOL OR UNIVERSITY LANDS FOR USE OF STATE.

Chapter 2, Title 43, Revised Statutes 1913, reserves to the State the right, whenever any school or university land is desired for the

uses of any department of the State government or of a State institution, to take over the same, together with the improvements thereon, by compensating the owner of the improvements therefor, and the Commission is authorized, upon the reimbursement of the owner for such improvements, in the manner provided, to issue a permit to occupy the land as other permits are issued, upon the payment of such rental as the Commission may fix.

This law has been invoked in one instance. The Tempe Normal school has made formal application to take over Section 16, township 1 north, range 4 east, Gila and Salt River base and meridian, for the uses of that institution, and to reimburse the owners for the improvements thereon.

It may be of interest to explain that this is the land commonly known as "the Tempe Normal School section," adjacent to the town of Tempe, which an attempt was made by Territorial statute to transfer to the Tempe Normal School, and which Chapter 9, Title 43, Revised Statutes 1913, assumed to give into the possession of the Normal School Board, to be administered by that body for the uses and benefit of the institution. The lessees who held possession of the land, under Territorial lease, at the time of the passage of the Territorial statute transferring the section to the Normal School, and who have ever since maintained possession, declined to recognize the authority of the Normal School Board, and resisted the attempt, based upon the statutes enacted for that purpose by the First Legislature (Chapter 9, Title 43, Revised Statute 1913), to eject them. An action for ejection was brought by the Attorney-General and the contention of the lessees upheld by the court. The Commission thereupon granted a permit to the lessees, for the continued occupancy of the land, upon payment of all back rentals.

Pursuant to the application of the Normal School Board to take over the land and improvements, under the provisions of the general law enacted for that purpose, the Commission has negotiated with the lessees in an effort to reach an agreement as to the value of their improvements, but is unable to do so, and the matter is now proceeding to adjudication as further provided by law.

COLORADO RIVER INDIAN RESERVATION.

Very great disappointment is felt, not only by the people of

the town and vicinity of Parker, who are directly and immediately interested, but as well by the people of the entire State, that the long anticipated opening of and sale of the lands within the Colorado River Indian reservation, has not materialized. Until a year ago it was anticipated that the opening would be effected through the medium of a bill introduced in Congress, which provided for the sale and reclamation of the land under the terms of the Carey Act, so amended as to fit the peculiar conditions surrounding Indian lands for which the Indians should be reimbursed. When prospects were bright for the passage of the bill unexpected opposition from the Department of the Interior destroyed its chances of success. This opposition was based upon a lack of confidence in the efficiency of the Carey Act as a means of reclamation, and the unwillingness of the federal government either to share responsibility for the proposed reclamation project without authority over the same or to accept the authority without which such responsibility would not be justified.

The Colorado River Indian reservation contains approximately 150,000 acres of the choicest river valley land, which is susceptible of irrigation either by means of diversion from the Colorado river or by pumping from wells or from the river. Development of this land, which is so definite and so simple, would mean much to the State, and it is thought that a desire for the accomplishment of that purpose should be unanimous. Since the joining of the propositions of opening the reservation and of reclaiming the land appear to present obstacles at present insurmountable, an effort should be made to induce the opening without the reclamation. Reclamation, by one or the other of the feasible methods heretofore indicated, will follow if a means can be found by which home-builders may secure title to the land.

This is a subject upon which the Commission has and will exert itself, through proper representations and the presentation of accurate data, to the Secretary of the Interior. It is a proper subject for a legislative memorial to that official and to Congress.

GRANT FOR PAYMENT OF COUNTY BONDS.

Chapter 4, Title 43, Revised Statutes 1913, instructed the Commission to select, "immediately after this Act becomes effective."

the one million acres of land granted to the State for the payment of the bonds and accrued interest thereon issued by Maricopa, Pima, Yavapai and Coconino counties, and authorized the Commission, beginning "within six months after the State secures title to said lands," to sell or otherwise dispose of the same.

The Act has been complied with to the extent of the Commission's ability, and to the extent that such compliance would not prevent the carrying out of other requirements of the law, equally binding, with respect to the selection of lands in satisfaction of the institutional grants to the State.

As set forth in Table I, page 32, there have been selected in satisfaction of the grant for the payment of the bonds and accrued interest thereon issued by Maricopa, Pima, Yavapai and Coconino counties, 70,252.68 acres. It has been found necessary, as is more fully set forth under the general report relating to "Institutional Lands," to defer further selections pending the approval of surveys of lands desirable for selection. The approval of the General Land Office has not been secured for any of the selections made for this grant, and it follows that the authorization for the sale of the lands could not be carried into effect.

RIGHTS-OF-WAY OVER STATE LANDS.

The Commission has received a number of applications for rights-of-way on, across and over school and other State lands for reservoirs, canals, transmission lines, sewer systems, railroad grounds, etc., but owing to the ambiguity and doubtful requirements of the present law has taken final action upon none of them.

Paragraph 4561, Chapter 1, Title 43, Revised Statutes 1913, confers upon the Commission "the right to grant rights-of-way for railroads, canals, ditches and any other purposes they may deem necessary, and sites for reservoirs, dams, and power or irrigating plants, upon such terms and conditions as they may deem proper, and to make rules and regulations respecting the granting and maintenance of such rights-of-way and sites."

The authority thus conferred would appear to be sufficiently broad to permit the full and free exercise of the Commission's discretion, but it seems that it may be limited by a provision which appears in identical terms in the Constitution and the Enabling Act.

This provision, as taken from Section 2, Article X of the State Constitution, is as follows: "Disposition of any of said lands, or of any money or thing of value directly or indirectly derived therefrom, for any object other than that for which such particular lands (or the lands from which such money or thing of value shall have been derived) were granted or confirmed, or in any manner contrary to the provisions of the said Enabling Act, shall be deemed a breach of trust."

With a view to removing the doubt in the minds of the Commission, the Attorney-General was requested to give his opinion as to whether the granting of rights-of-way for any or all of the purposes named would not amount to a disposition of the land covered by the same; if it would, whether it would not be necessary for the Commission, in granting rights-of-way, to sell the land for the "object for which such particular lands were granted or confirmed," and in doing so, to conform in all respects to the requirements of the Enabling Act, the Constitution and the statutes relating to the sale or disposition of State lands.

The opinion of the Attorney-General, rendered under date of August 31, 1914, was to the effect that "the granting of a right-of-way over State lands amounts to a disposition of the lands," and he deemed it to be "advisable in granting a right-of-way to comply with the provisions of the Enabling Act and the statute respecting the sale of lands covered by the Enabling Act."

The Commission recommends that the ambiguity in the law be removed, and the interests of the State at the same time protected, by requiring that the State Land Department, after approving an application for a right-of-way, sell the land covered by such application in the manner prescribed by law. This would necessitate the offering of the land at public auction, and to guard against competitive and unjust bidding by interests possibly opposed to the objects for which the rights-of-way might be desired, the law should limit eligible bidders to those who had complied with the Department's requirements and regulations respecting applications for rights-of-way. The insuring, on the State's part, of a proper price, could be easily covered by the Department's appraisal of the land prior to sale, as required by the Constitution and the Enabling Act.

PROTECTION OF EQUITIES ON SCHOOL LANDS SETTLED PRIOR TO SURVEY.

There are a number of school sections in the State, settled upon many years ago, prior to survey, and cultivated continuously ever since, but to which the occupants are unable to secure title, by reason of the original squatters' rights having been slept upon. Legislation should be provided for the protection in such cases of the equities of the settlers by the survey of the lands so affected into lots conforming to the holdings of each settler and the sale of the lots at valuations to be fixed by the State Land Department.

The most striking instance of this description is found in the case of section 16, township 18 north, range 19 east, upon which the village of St. Joseph, Navajo county, is located. This section, which is but a mile and a half from the station on the Santa Fe railroad known as Joseph City, was settled upon as early as 1876, by a little band of Mormon pioneers who were veritably carving their way in a most forbidding desert wilderness. The land was unsurveyed, and the settlers, who proposed to make their home there if none too friendly nature and decidedly hostile Indians would permit, had no way of knowing that it would when surveyed, be one of the sections reserved for the schools. The story of the early trials, dangers and experiences of these St. Joseph pioneers would read like a romance, but it is not the purpose to recount them here. Finally, in 1880, the United States survey was extended over the land, and those who had acquired squatters' rights prior thereto could then have filed their homestead entries, but lack of experience, an imperfect knowledge of the mode of procedure, the difficulties attendant upon travel to the distant land office, the pressing needs of the hour at home, and perhaps to some extent the early-day western carelessness as to land titles, conspired to work a long postponement. At last, attempts were made to file homestead entries, but through a misapprehension of the rights of the squatters, on the part of local officials, the filings were rejected, and though, had the settlers persisted, their rights would undoubtedly have been established, no appeal was taken.

In the meantime what was originally three or four small farm holdings grew into a settlement, which is now marked by division into fifty-six lots, containing buildings and improvements of a per-

manent and valuable character. For temporary protection the land covered by this settlement is being leased from the State by John Bushman, and held in trust for the occupants, while a legal means is being sought for their relief. An attempt is under way to have homestead entries, in the name of certain of the occupants who were settlers on the land prior to survey, accepted by the United States land office, but it is not believed that the desired relief can be secured by such means, owing to the large number of parties and interests affected, and the inability of the entrymen to make such an affidavit as is required by the United States land laws. A measure was enacted by the First Legislature (Chapter 7, Title 43, Revised Statutes 1913) designed to extend the protection prayed for, but as was pointed out by the Commission at that time, it was ineffective.

The only adequate solution of the St. Joseph and similar problems lies, as stated, in legislation authorizing the subdivision, by the State Land Department, of such sections, and the sale thereof in the manner and under the conditions imposed by the Constitution and the Enabling Act. The Commission recommends that such action be taken.

STATE LAND DEPARTMENT.

In concluding this report, it is deemed proper to direct attention to the fact that the State Land Commission was created, by the Act of May 20, 1912, "to hold office until the adjournment of the next regular session of the Legislature." The Commission, as constituted by the present law, will therefore automatically expire with the close of the coming legislative session. There is no need, doubtless, to detail the imperative necessity of early attention to the creation of a permanent State Land Department, in order that the multitudinous detail attached to the State's varied land interests may have constant attention, and to prevent irretrievable loss.

Regarding the form the State Land Department should take the Commission has no recommendations to make. The suggestion is offered, however, and strongly urged, that all duties and responsibilities directly or indirectly connected with the lands owned by the State, or with the lands of the State as they affect the State

government's interests, should be concentrated in and imposed upon the State Land Department. By such concentration division of authority will be obviated, conflicting policies prevented, promptness of action secured, and the maximum of economy arrived at by the utilization of one organization and one set of records.

The suggestion is also offered that whatever form of State Land Department may seem wise to the Legislature, no obstacle should be placed in the way of a systematic segregation of the work of the Department into logical divisions, each to be directly presided over by a Commissioner, or otherwise designated official. The importance of this will be readily recognized when consideration is given to the different activities of the Department, both in the field and in the office, as here reported.

In order that all possible information may be afforded, respecting the operation of the Commission, there will be found subjoined a financial statement showing the Commission's expenditures (Table XX, page 166), and a statement of the revenues derived from the State lands (Table XIX, page 165).

FEES.

The Commission, at the present time, charges only two fees—$1 for applications for leases and $2.50 for applications for transfers of leases or permits. From this source, as will be noted in the statement of receipts, $668 has been realized. A schedule of Land Department fees should be fixed by law, and provision made for its disposition.

RECEIPTS FROM STATE LANDS

February 14, 1912—Nov. 30, 1915

TABLE XIX.

	To June 30, 1913	July 1, 1913 to June 30, 1914	July 1, 1914 to Nov. 30, 1914	Total	Grand Total
School Lands:					
Permits	11,444.53	28,121.17	4,239.80	43,805.50	
Leases	43.20	5,412.28	818.68	6,274.16	
Sale of gravel		216.64		216.64	
In National forests	44,463.90	36,226.65	*	80,690.55	
Total	55,951.63	69,976.74	5,058.48	130,986.85	130,986.85
University lands:					
Permits	333.07	1,073.41	69.80	1,476.28	
Leases		20.00		20.00	
Timber Sale No. 1		32,500.00	6,500.00	39,000.00	
Timber Sale No. 2			20,000.00	20,000.00	
Trespass			1,210.88	1,210.88	
Cordwood		12.50		12.50	
Total	333.07	33,605.91	27,780.68	61,719.66	61,719.66
Fees:					
Application, school land leases	29.00	283.00	70.00	382.00	
Application, university leand leases		1.00		1.00	668.00
Assignment, school land leases		5.00	10.00	15.00	
Assignment, school land permits		205.00	45.00	250.00	
Assignment university land permits		15.00	5.00	20.00	
Total	29.00	509.00	130.00	668.00	668.00
Carey Act:					
Application deposit			250.00	250.00	
Total			250.00	250.00	
Grand totals	56,313.70	104,091.65	33,219.16	193,624.51	193,624.51

*Not received, estimated at $40,000.00.

EXPENDITURES IN CONNECTION WITH SELECTION, WITHDRAWAL AND ADMINISTRATION OF STATE LANDS

TABLE XX.

	June 6, 1912 to June 30, 1912	July 1, 1912 to June 30, 1913	July 1, 1913 to June 30, 1914	July 1, 1914 to Nov. 30, 1914	Total
General Fund—Chapter 3, Laws 1913					
Salaries of Commissioners	624.99	9,000.00	9,000.00	3,750.00	22,374.99
General expense:					
Salary chief clerk	125.00	1,975.00	2,400.00	1,000.00	5,500.00
Clerks' salaries, maps, plats, etc	49.10	3,554.97	6,791.42	1,859.20	12,254.69
Printing and stationery	125.20	832.68	565.06	203.11	1,726.05
Postage		250.39	301.29	100.00	651.68
Telephone and Telegraph	6.74	58.46	96.13	57.46	218.79
Express and freight		4.40	11.78	1.26	17.44
Sundry supplies		14.90			14.90
Miscellaneous		169.91	239.27	42.19	451.37
Traveling expense.					
Transportation, railroad fare, automobile, etc.		4,670.18	3,545.86	1,136.48	9,352.52
Board, lodging, supplies, etc	31.86	1,293.00	1,143.40	253.80	2,722.06
Miscellaneous		78.05	96.40	1.25	175.70
Gross expense	962.89	21,901.94	24,190.61	8,404.75	55,460.19
Credit: Refunds on railroad scrip books, etc		73.04	120.13	40.05	233.22
Net expense, General Fund	962.89	21,828.90	24,070.48	8,364.70	55,226.97
University Fund—Sec. 4, Chapter 3 Laws 1913.					
Scaling and marking			1,183.53	626.89	1,810.42
Fire protection			215.59	20.00	235.59
Traveling			97.05	28.65	125.70
Advertising			30.12	12.25	42.37
Miscellaneous			3.30	4.65	7.95
Total			1,529.59	692.44	2,222.03
Disbursements by Governor—Chapter 79, Laws of 1912.					
Land selections: Filing fees		3,231.00	723.00	104.00	4,058.00
Advertising		157.50	298.07	7.50	463.07
Withdrawals: Advertising		37.12	106.25	91.82	235.19
Total		3,425.62	1,127.32	203.32	4,756.26

AFFIDAVIT.

COUNTY OF MARICOPA, } ss.
STATE OF ARIZONA. }

Before me, Catherine Grove, a notary public in and for Maricopa county, State of Arizona, on this 1st day of December, 1914, personally appeared Mulford Winsor, chairman, Cy Byrne, secretary, and Wm. A. Moody, member of the State Land Commission of Arizona, known to me to be the persons who signed their names to the annexed "Report of the State Land Commission of Arizona", and each for himself and not one for the other, swore that he was familiar with the contents of the said report and believed the statements and allegations therein contained to be true, to the best of his knowledge and belief.

(Signed) CATHERINE GROVE,
Notary Public.

(Seal)

My commission expires January 13, 1918.