SYSTEMATIC AID TO SETTLERS THE FIRST NEED IN IRRIGATION DEVELOPMENT

For the past seven years I have had the privilege of working for a government that has shown great wisdom and sagacity in its social and industrial legislation. Nowhere has this been more conspicuous than in its land and water laws and the policy followed in irrigation development. In this it has blazed trails which this country can follow to advantage. Recently I explained to Governor Johnson of California the methods by which Victoria, one of the Australian States, is securing settlers on its irrigated lands and aiding them to rapidly become self-supporting and prosperous. He was greatly interested and asked me to come to this convention as a delegate from California and explain what I had told him. Believing that a national policy of aid to settlers on irrigated lands will prove of immense value in developing this country and stop the drift of American farmers to other lands, I availed myself of the Governor’s suggestion, and did this the more readily because of the opportunity of meeting many whom I had formerly known.

The absence of adequate financial help for settlers, during the first five years, is the main cause for the stagnation in irrigation development in this country, and for the calling of this conference. One only needs to put himself in the place of the settler to realize what a costly and serious venture it is to attempt to transform unimproved land into an irrigated farm and how much danger there is to the man of small capital that the attempt will prove a disaster. Before the settler can have any return from his land he must do many things not required in an unirrigated country. A house must be built, ditches dug, land cleared and graded, seed sown and the somewhat difficult art of irrigation mastered under untried conditions before he can have any return. While this is being done there is no income. His scanty capital is being swallowed up in living expenses. Often there is much hardship for himself and his family. Many a poor settler’s wife has aged ten years in ten months. If money has to be borrowed, interest rates are excessive and all combine to discourage those to whom these conditions are strange and new.

To these have been added, in recent years, great increases in charges for land and water. Costly dams and permanent works mean much higher water charges than were paid by the earlier generation of irrigators, until the marvel is not that many fail, but that any endure. With water rights costing from $40.00 to $60.00 per acre, and with the present western interest rates, the chances are all against the success of the settler who has less than $5000.00 or $6000.00 capital. The question which now needs to be decided is whether opportunities under national or private works are to be restricted to men with this or larger capital, or poorer men encouraged by helping them to improve their farms.

Problems of Settlement Have Been Neglected.

Thus far in America we have almost entirely ignored the requirements of colonization and settlement. We have looked upon the building of irrigation works and the marketing of irriga-

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tion securities as the main problems of irrigation development. We have not given enough thought to the obstacles which confront the farmer in completing the work of reclamation, and the risks and hardships imposed on himself and his family when they undertake the development of raw land, and the payment of high charges now imposed. Another mistake has been to regard irrigation enterprises as something which could be paid for quickly. We have taken it for granted that if the works were built the farmer would come forward and foot the bills. The actual facts are entirely different. Irrigation works do not create irrigated agriculture. The money spent on dams and canals must be followed by an equal or greater expenditure for houses, farm buildings, fences, grading and ditching fields before the water can be used and irrigation works have either revenue or productive value.

Owing to settlers not being able to obtain financial aid many have not been able to complete the preparation of their land for irrigation in a reasonable time, and, as a result, have failed when through timely assistance they would have succeeded. These failures have deterred others from attempting settlement, hence a large part of the irrigable land is unoccupied. Until this is changed the reclamation of irrigated land will continue to involve regrettable hardship and loss to many deserving settlers. Development will be slow, and irrigation securities will have uncertain value. Irrigation works will not fulfill their greatest purpose, which is to create opportunities for poor men, and American farmers will continue to emigrate to the ready made irrigated farms of Australia and Canada.

State Aid Is Feasible.

Adequate financial aid for settlers during the first five years is the greatest question before this Conference. It is also the one about which there is likely to be the greatest difference of opinion. No one, I think, doubts its need or value if wisely and honestly managed, but many do not regard it as feasible simply because it has not been attempted.

With respect to the latter, I have had during the past five years a most convincing and instructive experience. As Chairman of the State Water Commission of Victoria I have assisted in carrying out one of the most complete schemes of state aid to irrigated settlement ever attempted. Its success will, I hope, encourage this country to adopt a similar policy.

Seven years ago the situation under the irrigation schemes of Victoria was not unlike that under the Reclamation and Carey Acts projects today. Canals were built, water was available but settlers were not there to use it and hence the works were unprofitable. The State Government determined to change this by creating conditions which would enable anyone who had industry and thrift to secure an irrigated farm even if he had little or no money, and which would warrant its inviting settlement from distant countries. It has succeeded in its purpose by requiring only small initial payments and giving adequate aid and direction. No charge is made for water rights and the annual payments for water are only intended to cover 4% interest on the cost of works and the expenses of operation and maintenance. The cash payment on land is only 3% of its cost and thirty-one and one-half years is given in which to complete payments with interest at 4 1/2%. Houses are built for settlers on a cash payment of about one-fourth the cost, payments of the remainder may extend over twenty years with 5% interest. The State, when desired, grades and seeds a portion, up to one-fourth, of each farm, on the payment of one-fifth the estimated cost and allows the payments of the remainder to extend over ten years. It employs disinterested expert advisers to help the settler select his farm, buy his horses and cows and do what is needed to get established on his farm. The saving in money and time which this system effects can only be appreciated by those who have seen it in operation. Many settlers select their farm and arrange for the erection of their house before leaving Europe; are able to go directly from the ship to their new home, and have a living income from a dairy herd within a month from their arrival.

The state follows up this initial assistance by loaning the settler 60% of the value of any improvements he makes. This enables men with small capital to complete without delay the
grading, seeding and improvement of their farms. The settler does not need to halt when he exhausts his own capital. When he has one field graded he can borrow money on that to grade another.

This generous aid and the thoughtful consideration for his welfare is a great encouragement and incentive to the ambitious and earnest beginners. I have never seen elsewhere men work as hard or achieve as much in the first two years as on those Victorian settlements. But all who come are not industrious or capable. Such a scheme is especially attractive to the visionary and incompetent. Some of the settlers seem to regard the house, the farm and the graded fields as an endowment, and to believe that the state which has done so much to help them succeed will do the remainder. To help the inexperienced and guard against being imposed upon by the idler or indifferent, the state employs in each district a tactful, practical farmer who is the friend, counsellor and adviser of the working settler and a stimulator to others. When his efforts and influence fail the fact is reported to the head office. The settler knows of this and also knows that such report will have a controlling influence in determining whether or not he is to obtain loans or be given sympathetic treatment when payments are delayed. The law is so framed that the commission administering it has discretion to defer payments where settlers are unfortunate, but it also has authority to eliminate promptly any settler who fails to show earnestness, industry and thrift.

This scheme of comprehensive aid has now been in operation for six years. The settlements that are three years old are practically established and self supporting. It is the unanimous opinion of all those familiar with development that nowhere else have they seen such rapid progress in the cultivation of land or such large returns in the earlier years of settlement. One of the inspectors was formerly a successful farmer in the Imperial Valley, California. It is his belief that as much progress is made in these settlements in Victoria during eighteen months as was made on an average in the Imperial Valley in five years.

One cannot help being inspired by the hope, the gratitude and the tremendous industry that is everywhere manifest. The Government that inaugurated these measures is nearer a real democracy than a Government that leaves the settler to struggle unaided. While Australia and New Zealand have led in the movement to aid settlers, their example is now being followed in other developing countries. South Africa has adopted it and the newspapers report that British Columbia intends to adopt it. The Canadian Pacific Railway is loaning each settler on its irrigated tracts in aid of these initial improvements, and the Argentine is beginning to consider making such aid a feature of its colonization policy.

Should the Policy of the United States be Changed?

The adoption of a similar policy in the United States would relieve settlers of much anxiety and hardships without imposing any burden on the tax payer. By using the public credit, long terms for repayment could be obtained at low rate of interest, and with settlers fitted for their work and given practical advice by the Government, repayment of loans would be assured and development would then continue under opportunities as favorable as those provided in other countries. Every condition that has secured the success of State aid in Australia exists here in equal or greater measure. The tenant farmers of the Middle West furnish a large body of the very best class of settlers. The country does not have to look for them on the other side of the world. The lands are here, the works have been built. All that is needed is the inauguration of some business-like scheme which will provide the funds, and exercise the necessary direction and oversight over the settlers.

The greatest need in this country is the complete use of the works already built. From Colorado to California are private and public works, with less than half the land under cultivation,
and with inadequate revenues are struggling to maintain their financial credit. Suitable settlers would completely change the situation. Under some of these schemes the conditions for extending this aid are altogether satisfactory, whilst under others, settlement under present conditions should be prevented. Either the water supply is inadequate, the land is unfit, or the charges for land and water are too high. To extend public aid in the settlement of such enterprises means inevitable disaster to all concerned, and the first step in all such cases should be an investigation by some competent public authority, to weed out the sound from the unsound schemes. Starting with sound enterprises, there should, in each case, be an organization to meet and take charge of the settlers, and there must be some way by which large sums of money can be provided to give them the necessary aid.

In the State of Victoria this money is provided in a large measure by the State Savings Bank, which has deposits of $110,000,000.00, on which three and three and one-half per cent interest is paid. This money is loaned directly to the farmers at four and a half and five per cent. A remote country, with small accumulations, thus gives the farmers money at about half the interest rates prevailing in the western part of the United States. It would seem that the Victorian policy might wisely be followed in the United States, and the funds deposited in the Postal Savings Bank of the nation loaned to farmers developing irrigated lands, rather than to the banks, as at present. The experience of all of the Australian States shows that not only is this a safe use for these funds, but it can be made a great agency for national development. Safety could be further insured by an arrangement under which the states would guarantee the returns of all funds loaned to settlers within their boundaries. In any event, the cost of improving land is as great as the expense of providing water for it, and if we are to have a humane and rounded out scheme of development, the settler's side must receive more consideration.