

Let me discuss the economics of third division lands. Our economics research shows a distressing financial condition for operators on "small" irrigated units any place in these "high" elevation areas.

Consistently, the records show operators of 160 acre or less per unit go behind each year and accumulate serious problems. This often prevents these operators from adopting many elementary modern cultural practices in their management. If they are starting on new lands and have some other adversities with their operation, their situation soon becomes impossible and they sometimes unfairly blame the physical resource.

Records show that third division operators started out with 160 acres or less per unit. Even after acreage amendments following the 1953 legislation, these units were still below 200 acres of irrigable land, with fields frequently in scattered tracts. This fact and a series of others contributed to the problem that has been before Congress and the public for the past several years.

Budget studies by the Agricultural Economics Division of the university on a more or less continuous program over the State, show a need for a continuing increase in the size of the irrigated units. An irrigated acreage of at least 250 to 300 acres or more is needed in higher elevation areas to meet minimum financial obligations and provide a reasonable family living.

For livestock-oriented irrigated units, it is especially desirable to have some range and grassland available in addition to the irrigated land. This can be done for third division lands.

In summary, I believe the observations we can make that would be most helpful to the Congress in reaching a final resolution would be along these lines.

1. This is an already developed irrigation resource, the investments in project works and farm development have been made and are available.

2. The lands presently designated as irrigable are good lands that can sustain irrigated crop production as judged by numerous independent experts as well as by experienced farmers.

3. Of significant importance to future success is the fact that since implementing Public Law 88-278 there will be no problem with shifting and relocating people to attain increased unit size; all third division people were bought out and have moved elsewhere.

Now the farm unit boundaries can encompass a larger acreage of proven soils for developing sound livestock-oriented farm units. Attaching some nonirrigated grazing land to these units will enhance their stability and success. These irrigated lands are also suited to cash crops such as sugar beets and beans as well as forage crops.

4. To us, the present situation on third division appears to have significant differences compared with the situation implementing Public Law 88-278 and these differences should simplify a permanent solution.

Thank you for this opportunity.

Senator HANSEN. Thank you very much, Mr. Barnes, for your statement.

(Subsequent to the hearing the following additional information was received:)