

3. USER CHARGES

Complete national cost and revenue statistics from cooperatives, irrigation districts, and other organizations are not available at this time; thus, it is not possible to determine the extent to which irrigation costs are covered by user charges. Irrigation districts are supported in part by tax levies in addition to water charges assessed against users.

Aggregate cost and price statistics are available for Bureau of Reclamation projects. Allocation of project costs (which excludes on-farm associated costs of land preparation, etc.) varies between projects. Revenues for reimbursement of Bureau of Reclamation projects are obtained from payments on repayment contracts, water service, and rental revenues, power revenues, and other sources. Irrigation costs are interest free and are repaid over a contractual repayment period by water users on the basis of their ability to pay, as determined by an economic analysis of the particular project. Irrigation costs above water users' ability to pay are repaid through financial assistance from surplus power revenues, and other miscellaneous project revenues.

In the Bureau's existing reclamation program, including projects authorized, under construction or completed, the total amount of reimbursable expenditures allocated to irrigation purposes as of June 30, 1965, was \$3.842 billion of which \$1.875 billion, or 49 percent will be paid for mainly by power revenues.⁷ Nonreimbursable irrigation costs on Bureau of Reclamation projects as of June 30, 1965, were \$78.4 million.⁸

Another source of Federal financing of irrigation water sources is through the Watershed and Flood Prevention Act (Public Law 83-566). Under this program, which is administered by the Department of Agriculture, cost sharing up to 50 percent of total costs is authorized for construction of certain structures, including impoundments for irrigation water.

Comparable statistics concerning charges to irrigators on projects administered by State and local governments are not available.

C. THE TREND OF CAPITAL OUTLAYS

In 17 Western States and Louisiana, the trend of annual capital outlays for irrigation water supply systems of organizations has been as follows for two recent periods: From 1940 through 1949, \$520 million, or an average of \$52 million per year. From 1950 through 1959, \$1,039.6 million, or \$103.96 million per year.⁹ These capital outlays have been applied mainly to irrigating additional acreage, but not entirely so.

1. A POSSIBLE ACCOUNTING FOR THE NEW INVESTMENT IN IRRIGATION

Of the \$1,045.2 million new capital investment by organizations in the 17 Western States, Louisiana, and Hawaii in 1950-59, \$496 million was invested in California and \$200.8 million in the State of

⁷ Report of the Commissioner, 1965; U.S. Department of the Interior, Bureau of Reclamation (Washington, D.C., 1965) p. 79.

⁸ Report of the Commissioner, 1965; p. 77.

⁹ "Census of Agriculture, 1959," vol. III, p. 69.