

are often empowered to accept State or Federal loans (such as Farmers Home Administration loans) and State grants. Irrigation districts are the chief users of irrigation facilities built and financed by the Bureau of Reclamation.

Unincorporated irrigation mutual associations or cooperatives issue bonds and borrow from banks. Incorporated mutual associations issue bonds and borrow on notes secured by liens on fixed capital and water rights, but not on the land. They also receive Federal grants and loans. Their capital stock almost always represents funds of the water users themselves and not "outside" funds.

When the Bureau of Reclamation supplies facilities for irrigation, the Bureau, of course, is the body that supplies the financial resources. Most commonly, the "water users organizations" are irrigation districts, water districts, and conservancy districts. In order to have irrigation facilities constructed, a water users association must assume an obligation to repay the United States for a certain portion of the cost of the irrigation facilities. This is similar to the repayment of a loan. Still, it is not customary for the title to the irrigation facilities to pass from the Bureau to an irrigation district when the obligation has been repaid, although the irrigation district is likely to assume the operation of the facilities soon after construction is completed.

Lastly, commercial water suppliers who are not also water users usually finance construction of facilities with equity capital and with bond sale proceeds.

D. PROJECTED CHANGE IN IRRIGATED ACREAGE AND DEVELOPMENT, 1964-75

As of 1959, nearly half of the irrigated acreage in the Western States and nearly all of the irrigated acreage in the Eastern States was supplied with water from privately developed sources. Moreover, farm water-application and land-preparation systems, including those systems on farms supplied by irrigation organizations, are not considered to be public irrigation facilities. These systems do represent some portion of the total capital structure of irrigation, however, and their purchase can be encouraged or facilitated through such means as cost sharing, credit, and watershed project development.

For the United States (mainland), the remaining irrigation potential is estimated to be 40.4 million acres, of which 15.5 million acres are in the East and 24.9 million acres are in the West.¹³ Potentials for Federal and non-Federal are estimated to be as follows:

(In millions of acres)

	Federal	Non-Federal	Total
Western mainland.....	16.2	8.7	24.9
Eastern mainland.....	4.3	11.2	15.5
United States.....	20.5	19.9	40.4

In the West, roughly two-thirds of the remaining irrigation potential has been classified by the Bureau of Reclamation as potential Federal projects. The total cost of these projects is estimated by the Bureau

¹³ Pavells, George A. "Irrigation Policy and Long-Term Growth Functions," Agricultural Economics Research, vol. XVII, No. 2, April 1965. U.S. Department of Agriculture, p. 55.