

Mr. WHITE. Thank you, Mr. Chairman. I will, if I may, touch on just several points that I would like to stress, and then go ahead.

Senator HANSEN. Fine.

Mr. WHITE. In addition to the annual payments, Midvale has established an emergency operation and maintenance reserve fund as required by paragraph 10 of its 1952 repayment contract. This fund created through operation and maintenance assessment funds now totals \$145,309.17.

Subsection 2(b) authorizes a 50-year repayment period for the amendatory contract. The district's unmatured liability to the United States is \$8,457,289.29 for construction and a rehabilitation and betterment program. Its 1967 repayment to the Government was \$78,793.03. At Midvale's present rate of payment of the contract dated June 26, 1952, and the amendatory contract dated September 6, 1956, it will take approximately 107 years for the district to pay its contractual obligation to the Government.

This contract repayment period is unrealistic and should be limited to a 50-year term in order that this project be put on the same or similar footing as the new reclamation projects which recognize that the cost of construction today cannot be repaid from agriculture alone.

Subsection 2(c) authorizes the annual repayment during the 10-year development period to be the amount paid under Midvale 1952 amendatory repayment contract. Thereafter, the annual repayment for the last 40 years of the proposed amendatory repayment contract would be based upon the unit lands' ability to repay.

Subsection 2(d) provides for credit to the district for amounts paid on the repayment obligations under previous contracts and a commensurate reduction in the repayment period of individual tracts to reflect credit for amounts formerly paid by the district and attributable to such tracts. This would give a credit to the older Midvale farms who have already paid substantial sums under Midvale's various repayment contracts to the Government.

Subsection 2(e) provides that for the first 10 years of the repayment period of the proposed amendatory repayment contract, the annual obligation of the District would be reduced by the amounts the district has credited to water users who have provided drainage tile at their own expense, to a total not to exceed \$50,000. The district and water users together have contributed \$62,976 for badly needed tile drainage and Midvale farmers themselves have spent almost \$50,000 for drain tile to be installed on their own individual farms.

In the future drainage programs, landowners will not be required to furnish tile at their own expense and it seems equitable to give credit to those who have already contributed for such purposes. Pursuant to this subsection, the irrigation district will credit individual water charges over a 10-year period until the farmers' contributions have been paid and the United States will, in turn, reduce the District's obligation by the amounts so credited.

Subsection 3(a) provides nonreimbursable treatment for construction and rehabilitation and betterment costs of the unit assignable to lands classified as permanently unproductive.

Subsection 3(b) permits application of net revenues of the Riverton Unit to irrigation costs which are not assigned to be repaid by water users.