

foreign cost of such vessel as the gross revenue derived from the domestic trade bears to the gross revenue derived from the entire voyages completed during the preceding year."

SEC. 13. Section 806 of such Act, as amended, is amended by adding at the end thereof a new subsection to read as follows:

"(d) Whoever knowingly and willfully violates any order, rule, or regulation of the United States Maritime Commission made or issued in the exercise of the powers, duties, or functions transferred to it or vested in it by this Act, as amended, for which no penalty is otherwise expressly provided, shall upon conviction thereof be subject to a fine of not more than \$500. If such violation is a continuing one, each day of such violation shall constitute a separate offense."

SEC. 14. Paragraph (8) of section 1104 (a) of such Act, as amended, is amended by striking out the word "or" before the designation "(c)", and by inserting before the period at the end of the paragraph a semicolon and the following: "or (d) in the fishing trade or industry".

Approved, August 4, 1939.

49 Stat. 2014.
46 U. S. C., Supp.
IV, §§ 1224, 1228.
Penalty provisions.
Violation of rules,
etc., of Commission.

Ship mortgage in-
surance.
Eligibility provi-
sions.
Vessels in fishing
trade or industry.
52 Stat. 970.
46 U. S. C., Supp.
IV, § 1274.

[CHAPTER 418]

AN ACT

To provide a feasible and comprehensive plan for the variable payment of construction charges on United States reclamation projects, to protect the investment of the United States in such projects, and for other purposes.

August 4, 1939
[H. R. 6984]
[Public, No. 260]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purpose of providing for United States reclamation projects a feasible and comprehensive plan for an economical and equitable treatment of repayment problems and for variable payments of construction charges which can be met regularly and fully from year to year during periods of decline in agricultural income and unsatisfactory conditions of agriculture as well as during periods of prosperity and good prices for agricultural products, and which will protect adequately the financial interest of the United States in said projects, obligations to pay construction charges may be revised or undertaken pursuant to the provisions of this Act.

Reclamation Proj-
ect Act of 1939.
Purposes of Act.

SEC. 2. As used in this Act—

(a) The term "Federal reclamation laws" shall mean the Act of June 17, 1902 (32 Stat. 388), and all Acts amendatory thereof or supplementary thereto.

(b) The term "Secretary" shall mean the Secretary of the Interior.

(c) The term "project" shall mean any reclamation or irrigation project, including incidental features thereof, authorized by the Federal reclamation laws, or constructed by the United States pursuant to said laws, or in connection with which there is a repayment contract executed by the United States, pursuant to said laws, or any project constructed or operated and maintained by the Secretary through the Bureau of Reclamation for the reclamation of arid lands or other purposes.

(d) The term "construction charges" shall mean the amounts of principal obligations payable to the United States under water-right applications, repayment contracts, orders of the Secretary, or other forms of obligation entered into pursuant to the Federal reclamation laws, excepting amounts payable for water rental or power charges, operation and maintenance and other yearly service charges, and excepting also any other operation and maintenance, interest, or

Definitions.
"Federal reclama-
tion laws."
32 Stat. 388.
43 U. S. C. ch. 12;
Supp. IV, ch. 12.

"Secretary."
"Project."

"Construction
charges."

- other charges which are not covered into the principal sums of the construction accounts of the Bureau of Reclamation.
- "Repayment contract." (e) The term "repayment contract" shall mean any contract providing for payment of construction charges to the United States.
- "Project contract unit." (f) The term "project contract unit" shall mean a project or any substantial area of a project which is covered or is proposed to be covered by a repayment contract. On any project where two or more repayment contracts in part cover the same area and in part different areas, the area covered by each such repayment contract shall be a separate project contract unit. On any project where there are either two or more repayment contracts on a single project contract unit or two or more project contract units, the repayment contracts or project contract units may be merged by agreements in form satisfactory to the Secretary.
- "Organization." (g) The term "organization" shall mean any conservancy district, irrigation district, water users' association, or other organization, which is organized under State law and which has capacity to enter into contracts with the United States pursuant to the Federal reclamation laws.
- "Annual returns." (h) The term "annual returns" shall mean the amount of the annual gross crop returns per acre of the area in cultivation within the project contract unit involved; and the term "normal returns" for any year shall mean the weighted average of the annual returns of those ten years, of the thirteen-year period covering said year and the twelve years preceding it, in which the annual returns are the highest.
- "Division of a project." (i) The term "division of a project" shall mean any part of a project designated as a division by order of the Secretary or any phase or feature of project operations given a separate designation as a division by order of the Secretary for the purposes of orderly and efficient administration.
- "Development unit." (j) The term "development unit" shall mean a part of a project which, for purposes of orderly engineering or reclamation development, is designated as a development unit by order of the Secretary.
- "Irrigation block." (k) The term "irrigation block" shall mean an area of arid or semiarid lands in a project in which, in the judgment of the Secretary, the irrigable lands should be reclaimed and put under irrigation at substantially the same time, and which is designated as an irrigation block by order of the Secretary.
- Modification of existing repayment contracts authorized.
- SEC. 3. In connection with any repayment contract or other form of obligation, existing on the date of this Act, to pay construction charges, providing for repayment on the basis of a definite period, the Secretary is hereby authorized, upon request by the water users involved or their duly authorized representatives for amendment under this section of said contract or other form of obligation, and if in the Secretary's judgment such amendment is both practicable and in keeping with the general purpose of this Act, to amend said contract or other form of obligation so as to provide that the construction charges remaining unaccrued on the date of the amendment, or any later date agreed upon, shall be spread in definite annual installments on the basis of a longer definite period fixed in each case by the Secretary: *Provided*, That for any construction charges said longer period shall not exceed forty years, exclusive of 1931 and subsequent years to the extent of moratoria or deferments of construction charges due and payable for such years effected pursuant to Acts of Congress, from the date when the first installment of said construction charges became due and payable under the original obligation to pay said construction charges and in no event shall the unexpired part of said longer period exceed double the number
- Spread of unaccrued construction charges in definite annual installments.
- Proviso.*
Limitation.

of remaining years, as of the date of the amendment made pursuant to this Act, in which installments of said construction charges would become due and payable under said existing repayment contract or other form of obligation to pay construction charges.

SEC. 4. (a) In connection with any existing project on which construction charges are payable to the United States, the Secretary is hereby authorized to negotiate and enter into a contract or an amendatory contract, in a form satisfactory to him, with an organization, satisfactory in form and powers to him, representing the water users of the project contract unit involved, which contract shall provide for the payment of construction charges on said project contract unit in the manner hereinafter provided in this section. The negotiation and execution of such a contract shall be undertaken only upon request by duly authorized representatives of the water users involved for such a contract and upon a determination by the Secretary that, in his judgment, such a contract is both practicable and in keeping with the general purpose of this Act.

(b) All of the construction charges for the project contract unit remaining unaccrued on the date of the contract entered into pursuant to this section or on any later date agreed upon shall be merged in a total and general repayment obligation of the organization. Said repayment obligation of said organization shall be scheduled in such annual installments as, in the judgment of the Secretary, constitute an equitable, practicable, and definite consolidated schedule of the existing obligations in said project contract unit to pay construction charges: *Provided*, That said schedule of installments shall be so arranged that in the judgment of the Secretary it does not involve for any of said construction charges merged into said general obligation an extension of the time permitted under the existing obligations for payment of said charges excepting the adjustment of the repayment period permitted for certain charges by the last sentence of this subsection. For the purpose of scheduling said installments of said general obligation in accordance with this subsection, in connection with each project contract unit under an existing contract made pursuant to section 4 of the Act of December 5, 1924 (43 Stat. 672, 701), the Secretary shall fix a weighted average gross crop return per acre, of which 5 per centum shall be the measure for determining the schedule of the unaccrued construction charges in a definite number of annual installments. In the event the said existing obligations to pay construction charges in said project contract unit or units are based in part on section 4 of the Act of December 5, 1924 (43 Stat. 672, 701), and in part on other Acts of the Federal reclamation laws, said charges may be consolidated into two general repayment contract obligations of said organization, each of which shall be scheduled in such installments as, in the judgment of the Secretary, constitute an equitable, practicable, and definite consolidated schedule of all of the respective parts of said existing obligations to pay construction charges. Any of said unaccrued construction charges, which under said existing obligations are payable on the basis of a definite period, first may be adjusted by the Secretary, if in his judgment such adjustment is both practicable and in keeping with the general purpose of this Act, to a repayment basis of a longer definite period fixed in each case by him: *Provided*, That for any such construction charges said longer period shall not exceed the limitations contained in the proviso of section 3 of this Act.

(c) For each project contract unit where a repayment contract is entered into pursuant to this section, a census of annual returns shall be taken each year. The normal returns each year, for each such

Construction charges on existing projects, amendatory contract form provisions.

Unaccrued charges on date of new contract, merger into a total repayment obligation.

Repayments in annual installments.

Proviso. Arrangement of schedules of installments.

Measure for determining schedule of installments.

43 Stat. 701.

Consolidation where existing contracts are under different Acts.

Repayment installments.

Readjustment of existing payment periods.

Proviso. Limitation.

Census of annual returns.

Proviso.
Estimate in lieu of final determination.

Determination by established annual returns.

Assistance of local interests.

Variable repayment provisions.

Determination.

Provisions for including in future installments any part of installment not due, etc.

Proviso.
Restriction on revision or establishment in amount exceeding largest installment.

Additional charge on balance of repayment contract.

project contract unit, shall be determined by the Secretary: *Provided*, That in any year, if the Secretary deems it necessary, an estimate of the annual returns of that year, in lieu of a final determination thereof, shall be considered with the annual returns of the preceding twelve years: *Provided further*, That in the event records of annual returns of the lands involved are not available for twelve preceding years, the Secretary, until such records for twelve preceding years have been established, in his discretion may consider established annual returns of other and similar lands in other and similar project contract units for the purpose of determining each year the normal returns. The estimates and final determinations of annual returns and the determinations of normal returns provided for in this Act shall be made by the Secretary with such assistance from the water users and organization involved as he requests, and said estimates and determinations made by him shall be conclusive.

(d) For each project contract unit where a repayment contract is entered into pursuant to this section, each year the percent of the normal returns for said year by which the annual returns of said year exceed or are less than said normal returns shall be determined by the Secretary. For each unit or major fraction of a unit of said percentage of said increase or decrease there shall be an increase or decrease, respectively, of 2 per centum in the amount or amounts of the installment or installments for said year under the organization's obligation or obligations as determined under subsections (b) and (e) of this section. Said latter amount or amounts as thus increased or decreased shall be the payment or payments of construction charges due and payable for said year, except that in no event shall the amount of the said payment or payments due and payable for any year be less than 15 per centum of the amount or amounts of the installment or installments for said year under the organization's obligation or obligations as determined under subsections (b) and (e) of this section.

(e) In each contract entered into pursuant to this section, there shall be such provisions as the Secretary deems equitable, necessary, and proper to provide that any part of the amount of any installment of an organization's obligation, as determined under subsection (b) of this section, which, in the year for which said installment is designated under said subsection (b), does not, by reason of the operation of subsection (d) of this section, become due and payable as construction charges for said year, shall be added to an installment or installments of subsequent years for which installments are designated under said subsection (b) or shall be established as an installment or installments or parts thereof of years subsequent to the last year for which an installment is designated under said subsection (b), or both; and there shall be similar provisions respecting any such part of the amount of any installment modified or established under this subsection: *Provided*, That under this subsection no installment may be revised to or established in an amount exceeding the amount of the largest installment as determined under said subsection (b), and there shall be included in the contract such provisions as the Secretary deems proper for offsetting the increases and decreases in annual installments which result from the operation of said subsection (d).

(f) In any contract entered into pursuant to the authority of this section, it shall be provided that from and after the date of the last installment of the organization's repayment contract obligation or obligations as determined under subsection (b) of this section, a charge of 3 per centum per annum shall be payable by the organization on any balance or balances of said organization's obligation or

obligations which have not become due and payable by reason of the operation of subsection (d) of this section, until the same have become due and payable as construction charges under said subsection (d), and said charge of 3 per centum shall be payable by the organization to the United States on the same dates as, and in addition to, the annual payments otherwise required under this section.

(g) There may be included in any contract entered into pursuant to the authority of this section provisions requiring the organization to vary its distribution of construction charges in a manner that takes into account the productivity of the various classes of lands and the benefits accruing to the lands by reason of the irrigation thereof: *Provided*, That no distribution of construction charges over the lands included in the organization shall in any manner be deemed to relieve the organization, or any party or any land therein, of the organization's general obligation to repay to the United States in full the total amount of the organization's repayment contract obligation or obligations as determined under subsection (b) of this section.

SEC. 5. The Secretary in his discretion may require, in connection with any contract entered into pursuant to the authority of this Act, that the contract provide (1) that the payments for each year to be made to the United States shall become due and payable on such date or dates, not exceeding two, in each year as the Secretary determines will be substantially contemporaneous with the time or times in each year when water users receive crop returns and (2) if the contract be with an organization, that assessments or levies for the purpose of obtaining moneys sufficient to meet the organization's payments under said contract shall be made and shall become due and payable within a certain period or periods of time prior to the date or dates on which the organization's payments to the United States are due and payable, said period or periods of time to be agreed upon in each said contract.

The Secretary may provide such deferments of construction charges as in his judgment are necessary to prevent said requirements from resulting in inequitable pyramiding of payments of said charges.

SEC. 6. In connection with any contract, relating to construction charges, entered into pursuant to the authority of this Act, the Secretary is hereby authorized to require such provisions as he deems proper to secure the adoption of proper accounting, to protect the condition of project works and to provide for the proper use thereof, and to protect project lands against deterioration due to improper use of water. Any such contract shall require advance payment of adequate operation and maintenance charges. The Secretary is further authorized, in his discretion, to require such provisions as he deems proper to penalize delinquencies in payments of construction charges or operation and maintenance charges: *Provided*, That in any event there shall be penalties imposed on account of delinquencies of not less than one-half of 1 per centum per month of the delinquent charge from and after the date when such charge becomes due and payable: *Provided further*, That any such contract shall require that no water shall be delivered to lands or parties which are in arrears in the advance payment of operation and maintenance or toll charges, or to lands or parties which are in arrears for more than twelve months in the payment of construction charges due from such lands or parties to the United States or to the organization in which the lands or parties are included, or to any lands or parties included in an organization which is in arrears in the advance payment of operation and maintenance or toll charges or in arrears more than twelve months in the payment of construction charges due from such organization to the United States.

Provisions for varying distribution of construction charges.

Proviso.
Federal repayment.

Time for payment and collection of construction charges.

Deferments of charges.

Proper accounting prescribed.

Delinquencies.

Provisos.
Penalties for delinquencies.

No water if in arrears in advance payment, etc.

Repayment problems, investigation.

SEC. 7. (a) The Secretary is hereby authorized and directed to investigate the repayment problems of any existing project contract unit in connection with which, in his judgment, a contract under section 3 or 4 of this Act would not be practicable nor provide an economically sound adjustment, and to negotiate a contract which, in his judgment, both would provide fair and equitable treatment of the repayment problems involved and would be in keeping with the general purpose of this Act.

Work now under construction, allocations of costs.

(b) For any project, division of a project, development unit of a project, or supplemental works on a project, now under construction or for which appropriations have been made, and in connection with which a repayment contract has not been executed, allocations of costs may be made in accordance with the provisions of section 9 of this Act and a repayment contract may be negotiated, in the discretion of the Secretary, (1) pursuant to the authority of subsection (a) of this section or (2) in accordance, as near as may be, with the provisions in subsection 9 (d) or 9 (e) of this Act. In connection with any such project, division, or development unit, on which the majority of the lands involved are public lands of the United States, the Secretary, prior to entering into a repayment contract, may fix a development period for each irrigation block, if any, of not to exceed ten years from and including the first year in which water is delivered for the lands in said block: *Provided*, That in the event a development period is fixed prior to execution of a repayment contract, execution thereof shall be a condition precedent to delivery of water after the close of the development period. During any such development period water shall be delivered to the lands in the irrigation block involved only on a toll-charge basis, at a charge per annum per acre-foot to be fixed by the Secretary each year and to be collected in advance of delivery of water. Pending negotiation and execution of a repayment contract for any other such project, division, or development unit, water may be delivered for a period of not more than five years from the date of this Act on the same toll-charge basis. Any such toll charges collected and which the Secretary determines to be in excess of the cost of operation and maintenance during the toll-charge period shall be credited to the construction cost of the project in the manner determined by the Secretary.

Negotiation of repayment contract.

Development period.

Proviso. Delivery of water at close.

Delivery during development period on toll-charge basis.

Report to Congress.

(c) The Secretary from time to time shall report to the Congress on any proposed contracts negotiated pursuant to the authority of subsection (a) or (b) (1) of this section, and he may execute any such contract on behalf of the United States only after approval thereof has been given by Act of Congress.

Classification of lands.

SEC. 8. (a) The Secretary is hereby authorized and directed in the manner hereinafter provided to classify or to reclassify, from time to time but not more often than at five-year intervals, as to irrigability and productivity those lands which have been, are, or may be included within any project.

Request required.

(b) No classification or reclassification pursuant to the authority of this Act shall be undertaken unless a request therefor, by an organization or duly authorized representatives of the water users, in the form required by subsection (c) of this section has been made of the Secretary. The Secretary shall plan the classification work, undertaken pursuant to the authority of this section, in such manner as in his judgment will result in the most expeditious completion of the work.

Secretary to plan work.

Request for land classification to be accompanied by list of lands to be examined.

(c) In any request made to the Secretary for a land classification or reclassification under this section, the organization or representatives of the water users shall furnish a list of those lands which are considered to be of comparatively low productivity or to be nonpro-

ductive, and of those lands which are considered to be of greater or lesser productivity than indicated by existing classifications, if any, made pursuant to the Federal reclamation laws, and shall furnish also such data relating thereto as the Secretary by regulation may require.

(d) Upon receipt of any such request the Secretary shall make a preliminary determination whether the requested land classification or reclassification probably is justified by reason of the conditions of the lands involved and other pertinent conditions of the project, including its contractual relations with the United States.

(e) If the Secretary finds probable justification and if the advance to the United States hereinafter required is made, he shall undertake as soon as practicable the classification or reclassification of the lands listed in the request, and of any other lands which have been, are, or may be included within the project involved and which in his judgment should be classified or reclassified.

(f) As soon as practicable after completion of the classification work undertaken pursuant to this section, or from time to time, the Secretary shall report to Congress on the classifications and reclassifications made and shall include in his report, as to each project involved, his recommendations, if any, for remedial legislation.

(g) One-half of the expense involved in any classification work undertaken pursuant to this section shall be charged to operation and maintenance administration nonreimbursable; and one-half shall be paid in advance by the organization involved. On determining probable justification for the requested classification or reclassification as provided in this section, the Secretary shall estimate the cost of the work involved and shall submit a statement of the estimated cost to said organization. Said organization, before commencement of the work, shall advance to the United States one-half of the amount set forth in said statement and also shall advance one-half of the amount of supplementary estimates of costs which the Secretary may find it necessary to make from time to time during the progress of the work; and said amounts shall be and remain available for expenditure by the Secretary for the purposes for which they are advanced, until the work is completed or abandoned. After completion or abandonment of the work, the Secretary, shall determine the actual costs thereof; and said organization shall pay any additional amount required to make its total payments hereunder equal to one-half of the actual cost or shall be credited with any amount by which advances made by it exceed one-half of said actual cost, as the case may be.

(h) If in the judgment of the Secretary a classification or reclassification pursuant to the provisions of this section is a necessary preliminary to entering into a contract under section 3 or 4 of this Act, he may require the same as a condition precedent to entering into such a contract.

(i) No modification of any existing obligation to pay construction charges on any project shall be made by reason of any classification or reclassification undertaken pursuant to this section without express authority therefor granted by Congress upon recommendations of the Secretary made in a report under subsection (f) of this section.

SEC. 9. (a) No expenditures for the construction of any new project, new division of a project, or new supplemental works on a project shall be made, nor shall estimates be submitted therefor, by the Secretary until after he has made an investigation thereof and has submitted to the President and to the Congress his report and findings on—

- (1) the engineering feasibility of the proposed construction;
- (2) the estimated cost of the proposed construction;

Preliminary determination.

Classification if deemed justifiable.

Report to Congress.

Division of expense.

Advance payment.

Determination of actual costs; payment by organization.

Classification or reclassification if necessary.

Modification of existing obligation to pay charges, limitation.

Preliminary investigations of new projects.

Report and findings.

(3) the part of the estimated cost which can properly be allocated to irrigation and probably be repaid by the water users;

(4) the part of the estimated cost which can properly be allocated to power and probably be returned to the United States in net power revenues;

(5) the part of the estimated cost which can properly be allocated to municipal water supply or other miscellaneous purposes and probably be returned to the United States.

Construction, etc.

If the proposed construction is found by the Secretary to have engineering feasibility and if the repayable and returnable allocations to irrigation, power, and municipal water supply or other miscellaneous purposes found by the Secretary to be proper, together with any allocation to flood control or navigation made under subsection (b) of this section, equal the total estimated cost of construction as determined by the Secretary, then the new project, new division of a project, or supplemental works on a project, covered by his findings, shall be deemed authorized and may be undertaken by the Secretary. If all such allocations do not equal said total estimated cost, then said new project, new division, or new supplemental works may be undertaken by the Secretary only after provision therefor has been made by Act of Congress enacted after the Secretary has submitted to the President and the Congress the report and findings involved.

Allocations to flood control, etc.

(b) In connection with any new project, new division of a project, or supplemental works on a project there may be allocated to flood control or navigation the part of said total estimated cost which the Secretary may find to be proper. Items for any such allocations made in connection with projects which may be undertaken pursuant to subsection (a) of this section shall be included in the estimates of appropriations submitted by the Secretary for said projects, and funds for such portions of the projects shall not become available except as directly appropriated or allotted to the Department of the Interior. In connection with the making of such an allocation, the Secretary shall consult with the Chief of Engineers and the Secretary of War, and may perform any of the necessary investigations or studies under a cooperative agreement with the Secretary of War. In the event of such an allocation the Secretary of the Interior shall operate the project for purposes of flood control or navigation, to the extent justified by said allocation therefor.

Cooperation of War Department.

Municipal water supply, etc.
Provisos.
Repayments.

(c) The Secretary is authorized to enter into contracts to furnish water for municipal water supply or miscellaneous purposes: *Provided*, That any such contract either (1) shall require repayment to the United States, over a period of not to exceed forty years from the year in which water is first delivered for the use of the contracting party, with interest not exceeding the rate of 3½ per centum per annum if the Secretary determines an interest charge to be proper, of an appropriate share as determined by the Secretary of that part of the construction costs allocated by him to municipal water supply or other miscellaneous purposes; or (2) shall be for such periods, not to exceed forty years, and at such rates as in the Secretary's judgment will produce revenues at least sufficient to cover an appropriate share of the annual operation and maintenance cost and an appropriate share of such fixed charges as the Secretary deems proper, and shall require the payment of said rates each year in advance of delivery of water for said year. Any sale of electric power or lease of power privileges, made by the Secretary in connection with the operation of any project or division of a project, shall be for such periods, not to exceed forty years, and at such rates as in his judgment will produce power revenues at least sufficient to cover an appropriate share of the annual operation and maintenance cost,

Power privileges.

interest on an appropriate share of the construction investment at not less than 3 per centum per annum, and such other fixed charges as the Secretary deems proper: *Provided further*, That in said sales or leases preference shall be given to municipalities and other public corporations or agencies; and also to cooperatives and other non-profit organizations financed in whole or in part by loans made pursuant to the Rural Electrification Act of 1936 and any amendments thereof. Nothing in this subsection shall be applicable to provisions in existing contracts, made pursuant to law, for the use of power and miscellaneous revenues of a project for the benefit of users of water from such project. The provisions of this subsection respecting the terms of sales of electric power and leases of power privileges shall be in addition and alternative to any authority in existing laws relating to particular projects. No contract relating to municipal water supply or miscellaneous purposes or to electric power or power privileges shall be made unless, in the judgment of the Secretary, it will not impair the efficiency of the project for irrigation purposes.

(d) No water may be delivered for irrigation of lands in connection with any new project, new division of a project, or supplemental works on a project until an organization, satisfactory in form and powers to the Secretary, has entered into a repayment contract with the United States, in a form satisfactory to the Secretary, providing among other things—

(1) That the Secretary may fix a development period for each irrigation block, if any, of not to exceed ten years from and including the first calendar year in which water is delivered for the lands in said block; and that during the development period water shall be delivered to the lands in the irrigation block involved at a charge per annum per acre-foot, or other charge, to be fixed by the Secretary each year and to be paid in advance of delivery of water: *Provided*, That where the lands included in an irrigation block are for the most part lands owned by the United States, the Secretary, prior to execution of a repayment contract, may fix a development period, but in such case execution of such a contract shall be a condition precedent to delivery of water after the close of the development period. After the close of the development period, any such charges collected and which the Secretary determines to be in excess of the cost of the operation and maintenance during the development period shall be credited to the construction cost of the project in the manner determined by the Secretary.

(2) That the part of the construction costs allocated by the Secretary to irrigation shall be included in a general repayment obligation of the organization; and that the organization may vary its distribution of construction charges in a manner that takes into account the productivity of the various classes of lands and the benefits accruing to the lands by reason of the construction: *Provided*, That no distribution of construction charges over the lands included in the organization shall in any manner be deemed to relieve the organization or any party or any land therein of the organization's general obligation to the United States.

(3) That the general repayment obligation of the organization shall be spread in annual installments, of the number and amounts fixed by the Secretary, over a period not exceeding forty years, exclusive of any development period fixed under subsection (d) (1) of this section, for any project contract unit, or for any irrigation block, if the project contract unit be divided into two or more irrigation blocks.

Preferential sales to municipalities, etc.

49 Stat. 1363.
7 U. S. C., Supp.
IV, §§ 901-914.

Prescribed provisions additional to existing laws.

Contract restrictions.

Repayment contracts for new projects.

Provisions.

Development period; delivery of water during period, charge.

Proviso. Where block is mostly Government lands.

Credit of collections after close of period.

Part allocated to irrigation, repayment plan.

Distribution of construction charges.

Proviso. No release of general obligation.

Spread of general repayment obligation.

First annual installment, accrual date.

Yearly installment of organization's repayment obligation.

Short- or long-term contracts to furnish water for irrigation purposes.

Removal of sand, gravel, etc.

Proriso.
Removals without charge if for public use.

(4) That the first annual installment for any project contract unit, or for any irrigation block, as the case may be, shall accrue, on the date fixed by the Secretary, in the year after the last year of the development period or, if there be no development period, in the calendar year after the Secretary announces that the construction contemplated in the repayment contract is substantially completed or is advanced to a point where delivery of water can be made to substantially all of the lands in said unit or block to be irrigated; and if there be no development period fixed, that prior to and including the year in which the Secretary makes said announcement water shall be delivered only on the toll charge basis hereinbefore provided for development periods.

(5) Either (A) that each year the installment of the organization's repayment obligation scheduled for such year shall be the construction charges due and payable by the organization for such year; or (B) that each year the installment for such year of the organization's repayment obligation shall be increased or decreased on the basis of the normal and percentages plan provided in section 4 of this Act for modification of existing obligations to pay construction charges, and the amount of the annual installment of the organization's obligation, as thus increased or decreased, shall be the construction charges due and payable for such year. Under "(B)" of this subsection the provisions of section 4 of this Act shall be applicable, as near as may be, to the repayment contract made in connection with the new project, new division of a project or supplemental works on a project; and the organization shall make payments on the basis therein provided until its general repayment obligation has become due and payable to the United States in full.

(e) In lieu of entering into a repayment contract pursuant to the provisions of subsection (d) of this section to cover that part of the cost of the construction of works connected with water supply and allocated to irrigation, the Secretary, in his discretion, may enter into either short- or long-term contracts to furnish water for irrigation purposes. Each such contract shall be for such period, not to exceed forty years, and at such rates as in the Secretary's judgment will produce revenues at least sufficient to cover an appropriate share of the annual operation and maintenance cost and an appropriate share of such fixed charges as the Secretary deems proper, due consideration being given to that part of the cost of construction of works connected with water supply and allocated to irrigation; and shall require payment of said rates each year in advance of delivery of water for said year. In the event such contracts are made for furnishing water for irrigation purposes, the costs of any irrigation water distribution works constructed by the United States in connection with the new project, new division of a project, or supplemental works on a project, shall be covered by a repayment contract entered into pursuant to said subsection (d).

SEC. 10. The Secretary, in his discretion, may (a) permit the removal, from lands or interests in lands withdrawn or acquired and being administered under the Federal reclamation laws in connection with the construction or operation and maintenance of any project, of sand, gravel, and other minerals and building materials with or without competitive bidding: *Provided*, That removals may be permitted without charge if for use by a public agency in the construction of public roads or streets within any project or in its immediate

vicinity; and (b) grant leases, licenses, easements, or rights-of-way, for periods not to exceed fifty years, affecting lands or interests in lands withdrawn or acquired and being administered under the Federal reclamation laws in connection with the construction or operation and maintenance of any project. Such permits or grants shall be made only when, in the judgment of the Secretary, their exercise will not be incompatible with the purposes for which the lands or interests in lands are being administered, and shall be on such terms and conditions as in his judgment will adequately protect the interests of the United States and the project for which said lands or interests in lands are being administered.

SEC. 11. The Secretary in his discretion, in any instances where property to be sold under the Act of February 2, 1911 (36 Stat. 805), or the Act of May 20, 1920 (41 Stat. 605), is appraised at not to exceed \$300, may sell said property at public or private sale without complying with the provisions of said Acts as to notice, publication, and mode of sale.

SEC. 12. When appropriations have been made for the commencement or continuation of construction or operation and maintenance of any project, the Secretary may, in connection with such construction or operation and maintenance, enter into contracts for miscellaneous services, for materials and supplies, as well as for construction, which may cover such periods of time as the Secretary may consider necessary but in which the liability of the United States shall be contingent upon appropriations being made therefor.

SEC. 13. The purchase of supplies and equipment or the procurement of services for the Bureau of Reclamation at the seat of government and elsewhere may be made in the open market without compliance with section 3709 or section 3744 of the Revised Statutes of the United States, in the manner common among businessmen, when the aggregate payment for the purchase or the services does not exceed \$300 in any instance.

SEC. 14. The Secretary is hereby authorized, in connection with the construction or operation and maintenance of any project, (a) to purchase or condemn suitable lands or interests in lands for relocation of highways, roadways, railroads, telegraph, telephone, or electric transmission lines, or any other properties whatsoever, the relocation of which in the judgment of the Secretary is necessitated by said construction or operation and maintenance, and to perform any or all work involved in said relocations on said lands or interests in lands, other lands or interests in lands owned and held by the United States in connection with the construction or operation and maintenance of said project, or properties not owned by the United States; (b) to enter into contracts with the owners of said properties whereby they undertake to acquire any or all property needed for said relocation, or to perform any or all work involved in said relocations; and (c) for the purpose of effecting completely said relocations, to convey or exchange Government properties acquired or improved under (a) above, with or without improvements, or other properties owned and held by the United States in connection with the construction or operation and maintenance of said project, or to grant perpetual easements therein or thereover. Grants or conveyances hereunder shall be by instruments executed by the Secretary without regard to provisions of law governing the patenting of public lands.

The Secretary is further authorized, for the purpose of orderly and economical construction or operation and maintenance of any project, to enter into such contracts for exchange or replacement of water, water rights, or electric energy or for the adjustment of

Leases, easements,
etc.

Condition.

Sale of lands not
needed for reclama-
tion projects.
36 Stat. 895; 41 Stat.
605.
43 U. S. C. §§ 374,
375.

Contracts for mis-
cellaneous services.

Purchase of sup-
plies, procurement of
services, etc.

R. S. §§ 3709, 3744.
41 U. S. C. §§ 5, 16.

Acquisitions for re-
location of highways,
etc.

Contracts.

Contracts for ex-
change of water, etc.,
authorized.

water rights, as in his judgment are necessary and in the interests of the United States and the project.

Administration.

SEC. 15. The Secretary is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this Act into full force and effect.

Laws not inconsistent in full force.

SEC. 16. The provisions of previous Acts of Congress not inconsistent with the provisions of this Act shall remain in full force and effect.

Modification of existing contracts, duration of authority.

SEC. 17. (a) The authority granted in sections 3 and 4 of this Act for modification of existing repayment contracts or other forms of obligations to pay construction charges shall continue for five years from the date of this enactment in order to provide opportunity for negotiating and consummating said modifications and opportunity for enactment by the legislature of any State in which a project contract unit is located of any legislation which may be necessary to empower water users and organizations to execute and carry out the provisions of contracts entered into pursuant to the authority of this Act.

Time extensions for payment of construction charges, years 1939-1943.

Ante, p. 792.

(b) The authority of the Secretary under the Act entitled "An Act to authorize further relief to water users on United States and on Indian reclamation projects", approved May 31, 1939 (Public, Numbered 97, Seventy-sixth Congress, first session), is hereby extended in connection with the construction charges due and payable, under any existing obligation to pay construction charges, for each of the years 1939 to 1943, inclusive, to the extent such charges are not covered by modification of said obligation under section 3 or 4 of this Act.

Boulder Canyon Project Act, provisions not affected. 45 Stat. 1057. 43 U. S. C. §§ 617-617t. Short title.

SEC. 18. Nothing in this Act shall be construed to amend the Boulder Canyon Project Act (45 Stat. 1057), as amended.

SEC. 19. This Act may be cited as the "Reclamation Project Act of 1939".

Approved, August 4, 1939.

[CHAPTER 419]

AN ACT

August 4, 1939
[S. 1773]
[Public, No. 261]

To provide that no statute of limitations shall apply to offenses punishable by death.

Offenses punishable by death. Statute of limitations not to apply.

Offenses now barred by existing law.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That an indictment for any offense punishable by death may be found at any time without regard to any statute of limitations.

SEC. 2. This Act shall not authorize prosecution, trial, or punishment for any offense now barred by the provisions of existing law.

Approved, August 4, 1939.

[CHAPTER 420]

AN ACT

August 4, 1939
[S. 1558]
[Public, No. 262]

To provide for the acceptance of an easement with respect to certain lands in New Mexico, and for other purposes.

New Mexico. Acceptance of grant of perpetual easement with respect to certain lands in.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the grant of a perpetual easement to the United States Government and the Works Progress Administration pursuant to an instrument dated November 15, 1935, and recorded on December 22, 1936, for the construction and maintenance of a dam and reservoir in Bear Canyon, on the Mimbres River, in Grant County, New Mexico, located in