

tion unit, is located in what is commonly referred to as the high-risk farming area in east central South Dakota. Irrigation would provide the opportunity to stabilize and increase agricultural income and other business income in this great area of our State.

In looking at the balance sheet on the progress of completing the Missouri River development program, or the Pick-Sloan plan, we find that the mainstem dams have been constructed and are functioning to provide full benefits in all the multiple purposes for which they were created. These benefits almost all accrue to the States which are downstream on the Missouri River from South Dakota.

Electric power generation and transmission facilities are in large measure completed, but here also substantial quantities of the electric power generated is transmitted to States adjoining South Dakota. The large reservoirs in South Dakota are providing great recreation and fish and wildlife development, but additional development of these facilities is dependent upon irrigation development as would be implemented when the Congress approves S. 6.

As authorized in 1944 by the Flood Control Act, the Oahe unit envisioned a diversion of water from the Missouri River for irrigation in east central South Dakota. A feasibility study, which was dated May 1965, by the Bureau of Reclamation, shows that the multiple-purpose Oahe unit would provide about 495,000 acres of irrigable land. That is our plan and that is our hope for the future.

We talked here this morning of the initial stage of that. The full program would provide for a municipal and industrial water supply for 23 cities and towns. It would provide for recreation, and fish and wildlife development in 29 localities, and flood control and pollutant abatement benefits for people generally in the eastern part of the State.

We have been told by the chairman that the project has a cost-benefit ratio of 2.8 to 1. So we ask this morning, Mr. Chairman, in this legislation for authorizing the initial stage of development.

I repeat, this is the initial stage of a large program which will continue to evolve and grow, I am sure, by steady increments, as we start getting the benefits and see the wisdom of how irrigation works. This initial stage is for 190,000 acres of land.

For a moment, I would like to mention some of the significant economic impacts which it is expected that this project will have on the economy of South Dakota.

No. 1. The primary impact, of course, would be the stabilization of farm production and income.

No. 2. It would increase the gross income from farms by an estimated \$30 million to \$50 million, and the net farm income for the area involved by \$15 million to \$20 million.

It would provide a more accessible market for over 50,000 head of feeder cattle. The increased volume of business generated directly by the irrigation development is estimated to amount to over \$75 million.

Federal taxes from this new income would greatly benefit our Federal treasury.

Increased local, State and Federal tax revenues resulting directly from the irrigation development would total over \$6 million annually.