

main stream dams in South Dakota regulate the river's flow to insure navigability of the Missouri from Sioux City to St. Louis. Therefore of the original purposes, flood control, power recreation and navigation have all become a reality.

Construction of dams in South Dakota has resulted in many benefits, but South Dakota has had to make heavy sacrifices. By controlling the Missouri in South Dakota, we have insured flood control, and a steady flow of electric power for our neighboring states. This has meant, in fact, a great loss to South Dakota. The mighty Missouri bottomland that was once fertile ranch and farm land has been almost entirely inundated. More than half a million acres have been lost to production. This total includes 138,000 acres of fertile bottomland, 230,000 acres of high quality grazing land and 133,000 acres of brushland and timberland.

In essence water reservoir development is "bittersweet." It is bitter to see rich farm land lost, but it is sweet to see a wide range of benefits extended from irrigation, industrial and municipal water supplies, recreational development and fish and wild life enhancement.

The last step to be taken so far as South Dakota is concerned is the immediate authorization of the initial step of the Oahe Irrigation Unit. This project is a vital step in the economic development of a vast South Dakota area. The need for this project cannot be stressed too strongly. The land at present is a dry land farming area—crop yields vary greatly from year to year depending on moisture. And yet one of the most important needs, in fact the base for 70% of the state's economy, is the stability of its agricultural production. By providing water for irrigation, production stability can be insured. Irrigation would broaden the farm income base, broaden the overall economic base by increasing agri-business, and provide, as the Oahe report states, an opportunity for developing about 500 new farms and about 38,000 non-farm employment opportunities. It is estimated that as new farm incomes are spent and invested, the business volume in South Dakota would be boosted by more than \$71 million.

Water also will permit the introduction of new crops which are dependent upon steady water supply. Additionally water will be used for industrial-municipal growth. It will mean unlocking the potential of many smaller towns which currently lack sufficient water supplies.

All this benefit will supplant a half million acres lost forever to the state of South Dakota by construction of these vast reservoirs.

These facts and the dream they envision are supported overwhelmingly by local people. Formation of the Oahe Conservancy Subdistrict, the organization which handles sale of water to users, makes the collection and repays the federal government according to schedule, was favored by 86% of the voters in November of 1960. In 1965 similar percentages were reflected in local elections in Spink and Brown Counties.

The Oahe project in its initial stage centers upon irrigation of 190,000 acres of farmland in Spink and Brown Counties. The principal supply works for the unit include Oahe and James Pumping Plants, three regulating reservoirs, the existing James Diversion Dam, and channel improvements for the James River. These facilities would be supplemented by distribution canals, laterals, and pumping plants to deliver water to the irrigable lands, and the necessary drainage facilities. Pumping power would be obtained from the Missouri Power System. The one problem which delayed this program for some months was the question of pollution of the James River by return flow. This problem has been successfully resolved and I am sure departmental witnesses will go into more detail on this question.

A breakdown of project and assigned costs as modified by the Bureau of the Budget in its August 29 report is as follows: Irrigation, \$205,790,000; municipal and industrial water supplies, \$11,324,000; fish and wildlife, \$11,066,000; recreation, \$2,624,000; and flood control \$1,234,000. These figures represent a reduction of \$14,192,000 from original cost estimates because the current plan deletes an infeasible power function and excludes the extra capacities proposed in the principal supply works for ultimate development of the unit.

The project is economically feasible. Initial cost will be approximately \$200 million and all but 10% of this will be repaid to the federal government without interest over a fifty year period. The 10% that will not be repaid is for non-reimbursable expenses for flood control, recreation, and fish and wild life programs. Additionally assigned costs will bring the total expenses to roughly \$232 million which is below the original projected costs and reflects several cost cuts in construction. Interest charges will add another approximate \$12 million.