

While South Dakota will necessarily be the chief beneficiary of having additional people moving to our State, it seems to me that the whole Nation benefits because this migration into our State will certainly help to alleviate the increasing problems of urban congestion that exist in America today. It may certainly be a contributing factor to resolving some of the pressing problems faced by the metropolitan areas at this time.

5. It has been estimated that the increased economic benefits for South Dakota by the institution of the first stage of the Oahe irrigation development program will amount to more than \$71 million annually. In a State as sparsely populated as South Dakota, an additional \$71 million of income is extremely significant.

6. Another great advantage that should be of importance to you is that the irrigation of 190,000 additional acres of land in South Dakota will create a large new tax base. For example, local and State tax revenues will be increased by \$2,600,000. Additional income tax payments to the Federal Government will be in excess of \$3½ million per year.

We are all aware of the extremely pressing need for increased tax sources for our local taxing districts. The additional \$2.6 million in local taxes will do much in Brown and Spink Counties to assist those people in providing the necessary services normally provided by local government.

Further than that, while you people here in Washington are now prone to talking in terms of billions, we in South Dakota feel that an additional \$3½ million for our Federal Treasury should not be overlooked.

While we recognize that the irrigation development will be repaid over a period of many years from both water payments and electric power payments, I would like to point out that during the next 50 years the estimated additional total of \$175 million that will be paid in Federal income taxes is actually equivalent to 85 percent of the total cost presently needed for the construction of the entire Oahe irrigation project.

It should be refreshing to you that a project of this kind, while requiring tax funds at the moment, will soon become a taxpayer and not a tax taker, and will ultimately be making substantial contributions to help balance Federal and local government budgets.

7. I indicated to you earlier that my company is also in the natural gas business in Nebraska where we are privileged to serve the fine communities of Grand Island, Kearney, and North Platte. All these cities are located along the Platte River where a great deal of irrigation has been developed during the last 20 or 30 years. We have witnessed a substantial amount of new agriculturally related industry develop in these cities because of the vastly increased crop production in this area.

For example, the city of Grand Island now has more than 190 different manufacturing and processing plants in and adjacent to that city. Most of these businesses have been established to accommodate the tremendously increased amount of farm and cattle feeding activity in the area.

I believe that the same results will occur in the James River Valley when the Oahe project becomes a reality. This kind of industrial development obviously will have the effect of bringing even greater