Each year over the life of this project, for from 50 to 100 years, you will get between this advance in capital, the local risk taking and their hard labor, 30-percent return on the annual costs. That 30 percent is based on a 50-year life.

If you extend it to 100, the figure jumps to a 60-percent return on annual project costs.

Beyond this, the taxes on this new enterprise will, over the project life, repay a second time the total project costs.

These are the reasons why the National Reclamation Association urges that the committee authorize this project and why we stand ready to help in any way we can in the funding when that comes up before the committee.

Thank you very much.

(The prepared statement follows:)

STATEMENT OF CARL BRONN, EXECUTIVE DIRECTOR OF THE NATIONAL RECLAMATION ASSOCIATION

Mr. Chairman and other Members of the Committee: I am Carl Bronn, Executive Director of the National Reclamation Association. I appear in favor of S. 6 to reauthorize the first stage of the Oahe Unit, James Division, Missouri River Basin Project.

The National Reclamation Association endorses the Oahe Project as would be authorized in S. 6. Since the project and its purposes have been described to you, I emphasize here a few of the factors which merit authorization of Oahe, now.

Oahe is before you at a time when Appalachia is receiving consideration as a depressed area and when the cities are asking for greater economic opportunity. Opportunities in South Dakota are needed also: In the early part of this decade, per capita income in that state was but 70% of the national average.

During the period 1950 to 1960, the population of South Dakota increased by only 0.4%—whereas births exceeded deaths by 250%. And the population of the United States increased at a rate 400% higher than did South Dakota's!

A factor in this migration of people may have been the loss of farm lands because of the four federal dams built in South Dakota. A half-million acres of land, one-fourth of which were fertile bottom lands, are flooded by the reservoirs behind those dams.

But Oahe in its first stage would put 190 thousand acres into irrigated agriculture. Moreover, the products from that acreage would reflect the diversification and relative stability in yield which dependable water supply make possible.

The project would also result in an overall gain in fish and wildlife values—an objective of national interest today, and for the long-range tomorrow.

Also, Oahe is to pick up $43 millions of costs assigned from main-stem storage projects. While carrying the burden of costs for moneys already spent, Oahe still has a benefit-to-cost ration of 1.3.[1]

This favorable ratio of output to input should enable Oahe to compete strongly for funds. As to its competitive standing, I note that the measurable benefits of many other programs outside of public works, programs proposed to create opportunity, are not sufficiently tangible to provide any B/C ratio at all.

This characteristic of results sufficiently tangible for measurement permits the determination of other important data. For example:

In Canada, local and national governments studied an old irrigation project to determine whether the province and the national government should contribute to the costs for rehabilitating the works. A committee of experts examined the influence of that project on local business, on the rest of the province, and also outside of the province. Here are the experts' conclusions as to the distribution of total benefits:

| | *Percent* |
|---|---|
| National benefits | 47 |
| Provincial benefits | 31 |
| Total local benefits | 16 |
| Benefits to the irrigator | 6 |

[1] Based on 50 year life. For 100 year life, the ratio is 1.6.