

Were the spread of benefits in Canada to apply to Oahe, we would find:

A. In return for 6% of total benefits, the irrigators pledge partial repayment of capital investment and also mortgage themselves for \$55 millions of onfarm improvements.

B. In return for 47% of total benefits, the region pledges its resource of water—including part of its capability to create energy—to repay directly all of the remaining capital costs allocated to agriculture and water supply.

C. In return for the remaining 47% of benefits, the nation loans the money, secured by the works constructed. And when repayment is completed, the nation will retain title to those works!

Further, each year—for 50 to 100 years—the constructed works, coupled with local risk-taking and hard labor, would produce 30%² more than the annual project costs. The secondary benefits would triple those returns and do so far outside the region. And in addition to these compensations, the taxes on new enterprise will yield a second repayment of the investment.

These are some of the sound reasons why the National Reclamation Association finds the Oahe Project to be in the national interest. We urge this Subcommittee to recommend its authorization.

Senator McGOVERN. That was a brief statement but a brilliant analysis of the benefits-cost aspect of this project. I know your full statement, together with the aspect of it that you pointed up here today, will be very helpful to us.

We appreciate very much your taking the time to come here to testify in support of the project.

Mr. BRONN. Thank you, sir.

Senator McGOVERN. The two bells that rang about 5 minutes ago indicate that a rollcall is coming. We will have to recess for about 30 minutes. I hate to do this, but the alternative is to be interrupted in the middle of some statement.

It is now 5 minutes to 3. We will recess until 3:30.

(A brief recess was taken.)

Senator McGOVERN. The subcommittee will come to order.

The next witness is Robert W. Ford, manager, South Dakota Rural Electric Association. We will be happy to have your statement now.

STATEMENT OF ROBERT W. FORD, MANAGER, SOUTH DAKOTA RURAL ELECTRIC ASSOCIATION

Mr. FORD. Thank you, Mr. Chairman. I might say I am appearing in behalf of our president, Mr. Hauffe, who was detained and could not attend.

My name is Robert W. Ford. I am manager of the South Dakota Rural Electric Association, a service organization serving our State's 33 rural electric distribution cooperative and three power supply cooperatives.

I appear here today in behalf of Mr. A. C. Hauffe, our president, who had an unavoidable conflict.

First of all, let me express to you our sincere appreciation for receiving us today to testify in support of Senate bill 6.

Senate bill 6 authorizes the initial stage of a 490,000-acre irrigation project known as the Oahe unit. The initial stage calls for 190,000 acres.

The full development of the entire Oahe project cannot, in our opinion, be overemphasized. The development of all our natural and human resources is a highly desirable goal for all Americans.

² 30% for 50 years life, up to 60% for 100 year economic life.