

However, we feel that the fringe benefits associated with the increased land use in the irrigated area and the expected increase in population are extremely important and beneficial to our economy.

We are especially concerned that our children, the future farmers, business and professional people be given an opportunity to make a successful life for themselves. The development of this project will help in this achievement.

Therefore we urge the earliest possible congressional approval and start on construction of the Oahe Project.

STATEMENT OF RICHARD RICCI, DIRECTOR OF PUBLIC RELATIONS, SOUTH DAKOTA FARMERS UNION

Mr. Chairman and members of this committee, my name is Richard Ricci and I am director of Public Relations for the South Dakota Farmers Union, the largest farm organization in the state with headquarters at Huron, South Dakota. I am appearing here today as a representative of our organization in lieu of our State President, Ben Radcliffe, who will appear at the full committee hearing in Washington.

The South Dakota Farmers Union is in full support of efforts to bring the Oahe Irrigation Project to completion. This is a matter of record in our 1966-67 program of policy and action, adopted by delegates to our 51st convention last October. The wording in the adopted program is as follows: "Because the Oahe Irrigation Project has been found feasible and would bring great benefit to the economy of South Dakota, we urge immediate action by the Administration and Congress for the authorization and appropriation of funds to initiate this project."

The Bureau of Reclamation report, which was completed after more than 15 years of investigation and study, shows that the Oahe unit is both a sound investment for the federal government and an economic necessity for the future water resource development of South Dakota.

Eventual completion of this Oahe project, together with the installation of irrigation systems on many acres of our South Dakota farmland, carries a tremendous potential for improvement in the farm sector of the economy. Our organization is very hopeful that the Oahe unit, when completed, will provide an answer to our state's diminishing farm population and steadily declining farm prosperity.

In addition to presently being handicapped by a restricted number of products which South Dakota farmers can raise under dryland situations, they are frequently subjected to severe and sometimes continued droughts that have devastating effects, both on the production of cash crops and livestock.

The devastating effects of drought can be virtually eliminated for the farmer who uses irrigation projects since a fair supply of feed, particularly roughage, is likely to be available in the irrigated areas.

Farmers Union, for many years now, has fought diligently to attempt to halt the exodus of farmers from the land. This also becomes the immediate problem of our towns and small businessmen because according to the latest farm census, South Dakota lost 6,000 farms during the 1959-1964 period for an average of 1,200 per year. In a like period 1958-1963, as documented by the 1963 Census of Business by the U.S. Dept. of Commerce, South Dakota suffered a net loss of 1,101 retail business establishments. This represents a ratio of one business place closing its doors for every six farms that disappeared.

According to the Bureau of Reclamation Supplemental Report on this first stage of the Oahe unit, completion of this phase would add 500 more farms and 1,700 more farm people. In addition, another 12,300 people would find new opportunity in farm service businesses, new basic agricultural industries, and other services and activities. With the cities already plagued with the ills of overcrowded conditions, it seems only logical to develop the rural areas to open the gates to new industries, higher income and more employment opportunities to curb the present trend of migrating into the metropolitan areas. According to the Bureau report, the Oahe unit will result in a total population boost for South Dakota of 14,000 persons.

The Bureau report also estimates that development of this first stage alone will bring in nearly \$31.5 million dollars in new wages, profits and investment earnings. It estimates gross farm income will increase by \$30 million.

And certainly, to whatever extent irrigation strengthens the farm economy of South Dakota, the non-farm economy will benefit from increased farm spend-