

Missouri River Basin project, to include therein the entire Riverton Federal reclamation project, and for other purposes."

S. 670, if enacted, would provide for the sale to private interests of lands in the Third Division of the Riverton project and would permit such lands to be again put under irrigated project development. The bill is similar to S. 1746, 89th Congress, on which we furnished views to your committee by letter dated June 8, 1966. A copy of that letter is enclosed for your convenience.

The question of public policy involved in the Riverton project proposals contained in S. 670 are complex. On the one hand, the lands of the Third Division are currently being successfully irrigated under leasing arrangements, and the withdrawal of these lands from production could have adverse consequences from a regional standpoint. On the other hand, the project proposals in S. 670 would not significantly increase overall project repayment by irrigation water users, considered in relation to the Federal investment, and the fact remains that an earlier attempt to irrigate the Third Division was unsuccessful, culminating in relief legislation in 1964 under which the Federal Government subsequently purchased the lands of the Third Division.

After weighing these factors, and for the reasons expressed in greater detail in our letter of June 8, 1966, the Bureau of the Budget continues to hold the view that while another attempt to irrigate the lands of the Third Division would be risky, we would not object to the enactment of legislation providing assistance to the farmers of the First and Second Divisions on the basis discussed in that letter.

Sincerely yours,

PHILLIP S. HUGHES,
Deputy Director.

Senator ANDERSON. We have as our first witness this morning, our colleague, the Honorable Gale McGee from the State of Wyoming. We shall be pleased to hear from you now, Senator.

Senator MCGEE. I would like to defer to Governor Hathaway. He has to catch a plane. He has to be in Wyoming tonight, and if we may do that I will follow him, if that is all right with the committee.

Senator ANDERSON. Yes.

Senator HANSEN. If I may be permitted to do so, let me just take a moment to introduce Gov. Stanley K. Hathaway, and say a word about his background. I think it will be of interest to you and Senator Jordan.

Reclamation and farming is not a new experience to Governor Hathaway. He was raised in southeastern Wyoming, having been born in the State of Nebraska, but he quickly saw the light and the merits and moved to Wyoming.

Senator ANDERSON. I have heard that.

Senator HANSEN. He followed the advice of Horace Greeley. He was raised in Goshen County, one of the most important farming and irrigating counties in the State. He was raised on a farm, and since his graduation from high school and service in the Air Force during World War II, he has been, among other things, county prosecuting attorney for Goshen County, and he has continued his close contacts with people in the farming business.

He is well qualified, both by earlier training and experience and by first-hand knowledge of the Riverton project, to speak on this subject this morning. I would like to express my gratitude to him for having made the effort he has to be here this morning.

Governor Hathaway.

Senator ANDERSON. We are very glad to have you here.