

the original project the full scale of works required on the ultimate project.

It is not the ultimate goal of acres that has been dropped, but we have dropped the concept of building for the future while planning for the present.

Mr. HOLUM. That is correct. Actually, in 1944 we were thinking about a 750,000-acre project. I think the State still is. I think we still are. We were confronted with the situation where plans for only 495,000 acres of irrigable land, with the right type of soils and in a contiguous area, have been developed at this time.

I think the goal still is to move to the 495,000 acres and then to move to the 750,000 acres. But there is a long construction period involved, with a substantial investment.

The \$11 million will be an expenditure that by any standard could be earning interest if not made or costing the Government interest if it was made for canal capacity that was not being used. I think our recommendation to forgo this future capacity represents a sound decision that doesn't prejudice the future but, rather, provides more flexibility in future planning.

Another proposal made in the Secretary's report was to operate the Oahe unit in a manner which would permit the Oahe pumping plant to be shut down during the midsummer period of peak power demand and thus permit the use of the seventh power generating unit at Oahe Dam to help meet these peak power demands.

Subsequent studies indicated that operation of the generator during this summer period would not be economically justifiable; therefore, this proposal will not receive further consideration which reduces the cost estimate by \$2,775,000.

The cost estimate contained in the Secretary's report included an amount for relocation in kind of area roads and highways. Since the transmittal of that report to the Congress, it has been determined that an additional cost of \$2 million will be incurred in constructing these roads to present day standards in accordance with section 207(c) of the Flood Control Act of 1960—74 Stat. 400—as amended by section 208 of the Flood Control Act of 1962—76 Stat. 1196.

This additional cost will be a Federal nonreimbursable obligation. Annual direct and total benefits of \$12,782,900 and \$20,409,600, respectively, would accrue to the local area, State, and Nation as a result of construction and operation of this proposed development.

The benefit-cost ratio based on total benefits is 2.5 to 1, and using direct benefits only, it is 1.6 to 1.

A compilation of benefits derived from each function served by the initial stage is as follows:

Purpose	Annual equivalent benefits
Irrigation:	
Direct	\$11, 507, 700
Total	19, 618, 300
Municipal-industrial water supply	465, 600
Fish and wildlife enhancement	435, 900
Flood control	46, 700
Recreation	108, 400
Area redevelopment	218, 600
Uncompensated adverse effects	483, 900
Net benefits:	
Direct	12, 782, 900
Total	20, 409, 600