

The upper third of the Cape Fear River Basin is highly industrialized in the manufacture of textiles, furniture, tobacco products, fertilizers, chemicals, clay, glass, and industrial rubber. While the economy of the lower reaches of the river is agriculturally based, many new industries have located multimillion-dollar plants in this area to take advantage of low-cost water transportation.

The area is well suited for industrial growth—excellent year-round climate, ample ground and surface fresh water, and unlimited supplies of electricity and natural gas. In addition to the navigable Cape Fear River, the area is served by three trunkline railroads, good highways and airports.

The execution of the water resources development program, as recommended by the Corps of Engineers, is required to develop this area to its full industrial potential. Already the New Hope Dam on the Haw River is under construction and will significantly reduce flooding in the river basin. Additional multipurpose dams are recommended on the Deep River. These are the Randleman and Howards Mill Dams and Reservoirs which will control flooding and provide water quality control necessary to furnish clean water to the high population concentrations attendant in industrialized areas.

These reservoirs would provide a combined water storage of 298,000 acre-feet for flood control, water supply, and water quality control. The reservoirs of this project could also be used to provide for expanded recreation facilities to serve over a million people now living within 50 miles of the project area. At normal water levels the Randleman and Howards Mill Reservoirs would cover 3,000 and 1,600 acres, respectively, providing enough water and area to support a variety of water-related recreational facilities and activity.

After a comprehensive study of the water resources requirements for this area, the U.S. Corps of Engineers has found an immediate need for the construction of the Randleman and Howards Mill Dams and Reservoirs. The average benefits accruing from the improvements are estimated at \$2.1 million annually with an average benefit-cost ratio of 1.7 to 1.

I strongly urge your authorization of a project vital to the industrial and economic growth of North Carolina.

Mr. JONES. Thank you, Mr. Lennon, for your statement in support of this project.

You may continue, Colonel.

Colonel SEIDEL. The benefit-cost ratio is 1.6 for the Randleman Dam and Reservoir, and 1.5 for the Howards Mill Dam and Reservoir.

Local interests are willing to provide the necessary items of local cooperation. Interested Federal and State agencies favor the project. The report is with the BOB for clearance as to its relationship to the program of the President prior to its submission to Congress by the S/A.

This concludes my statement, Mr. Chairman.

Mr. JONES. On this project, we did not have the comments of the Bureau of the Budget. Has the Budget Bureau submitted any?

Colonel SEIDEL. Sir, they have not yet been received. The report goes to the Bureau of the Budget for clearance as to its relationship to the program of the President prior to its submission to Congress by the Secretary of the Army.