

B/C ratio but excludes difficult to evaluate potential national income gains stemming from the projected economic expansion.

Local interests are willing to provide the necessary normal items of local cooperation for flood control, water supply, and recreation. The State and Federal agencies have commented favorably on the report. The report is now with the Secretary of Army for review.

Mr. Chairman, this completes my statement.

Mr. JONES. Let's review, Colonel, the various plans again in capsule form.

Colonel ANDERSON. The five elements are first, the Royalton Reservoir, the second is channel improvements on Licking River and State Road Fork.

Mr. CLAUSEN. Would the Chair yield?

Mr. JONES. Yes.

Mr. CLAUSEN. May I ask so that I understand correctly; will all of these projects be coordinated? Do I understand you to say at some point in your testimony it would be interagency?

Colonel ANDERSON. Yes, sir, the first two, the reservoir and channel improvements are Corps of Engineers construction.

The other two elements, that is those three small reservoirs plus land treatment will be under the Department of Agriculture Soil Conservation Service.

Mr. JONES. Now, the economic development aspects of the project, would you go into that, Colonel?

Colonel LEE. I am Col. John Lee. That is strictly for the record. As Colonel Anderson has said, sir, the purpose—

Mr. JONES. Colonel Lee, let me interrupt and state this is the first proposal that we have had on the scheme of this nature involving Appalachia, so it is rather novel for us and since it is going to be employed in other areas, I think it is necessary for the committee to have complete understanding as to what is the thought and the aims, and how they are to be coordinated and, once they are in operation, how they are to be pursued after that time.

Colonel LEE. The declared purpose of the Congress in the Appalachian Act is to foster regional development and growth.

Mr. JONES. That is under section 206 of the Appalachian Act of 1965?

Colonel LEE. It is section 2 of the Appalachian Act which is the preamble and the declaration of intent by the Congress.

The guidance was that public dollars invested will be in areas with a high return or high expected rate of return; areas with significant potential for growth.

We determine, sir, that Salyersville has a significant potential for growth. It is on the eastern end of the Mountain Parkway which is the first of the Appalachian Highway corridors. It has a trained and trainable labor force. It has rail access. It has gas and oil. Kentucky has made a great number of improvements in its vocational educational training facilities and there are four schools.

Salyersville itself has been sitting with a population of about 1,100 or 1,200 people, no change and no growth basically because, as was earlier said, they have a critical flooding problem.

Moreover, the Licking River has had a zero flow seven times in the period of record. In other words, the Licking River running dry can-