

If you added to that ratio the approximately \$6 million in annual wages that we figure or assume to be within the national interest, then that ratio is considerably different.

Mr. CLAUSEN. Now, in your projections you make reference to the fact there has been so many out of jobs. How did you arrive at that figure and where would these people come from? Would they come from this particular area?

Colonel LEE. There are presently, sir, in the six-county study area centered on Magoffin County area, 14,000 unemployed of the right ages and right sexes necessary for work and they will come out of the hills and valleys and go off the dole if they have a job.

The Ward Manufacturing Co. moved to Salyersville where there were many more applicants to work than jobs they could fill.

Mr. CLAUSEN. Do you have a figure? You say they are not on the dole now.

Colonel LEE. A great number of them, sir, are underemployed. They do subsistence farming and getting food stamps or something of that sort, yes, sir.

Mr. CLAUSEN. Can you speak authentically or do you have some cost figures of the number of people on the dole that would actually become employed if this project were recommended?

Colonel LEE. The report details that, sir. I would like to answer that question after a moment's research just for the record.

Mr. CLAUSEN. Yes, I realize this is something that you could not carry in your mind, that you could provide the information for our record. I think this is very significant.

Colonel LEE. I remember something of the total in the six-county study area, in the six-county study area, sir, I remember the current total welfare, in broad numbers, is something on the order of \$3 million a year.

Mr. CLAUSEN. The point you are making is that this is not one of the considered increments in our B-C ratio as it now stands.

Colonel LEE. No, it is not in that third index of performance that Colonel Anderson mentioned.

Mr. CLAUSEN. The chairman and I, of course, have had a number of informal discussions about this whole question of the benefit-cost ratio in this category of secondary benefits and this is something that I have a deep personal interest in.

We are spending money some place for welfare, when, in many ways, we can save the taxpayers' money.

Colonel LEE. We feel, in thinking about secondary benefits, that there is a national interest as well as a regional interest.

Mr. CLAUSEN. I agree with you.

Colonel LEE. That when a project causes a regional transfer, just merely the lifting up of some activity and moving it to another region, the net effect is zero. But, when you bring in new productive resources into the economy that are not otherwise in the economy, when you take people off from welfare and make them productive citizens, this is a national interest.

Mr. CLAUSEN. I am not going to belabor this as there are a number of other witnesses, but I would like to discuss this with you personally, and in depth.

Thank you, Mr. Chairman.