

the load shapes of our areas and used economically because we have already got enough peaking capacity from a hydro point of view.

Mr. JONES. What was that figure on the hydro?

Mr. McCOLLAM. We now have in this general geographic area 1,400,000 kilowatts of conventional hydro capacity in existence and some 700,000 under construction which means when this capacity under construction is completed we will have over 2 million kilowatts of conventional hydro peaking in the area.

As to the computation of the Corps of Engineers relative to the benefit-cost ratio as is pointed out in my detailed, prepared statement—and I will not go into the details in the interest of time, but it is adequately substantiated in the record in my statement—we employed an outstanding consulting firm—to be specific, the Bectal Corp. of San Francisco—to do an independent study for us in this area of these two projects and suffice it to say that their conclusion did not agree with the Corps of Engineers' conclusions as to the cost-benefit ratio for the benefit-cost ratio.

After considering all of the factors involved they came up with a benefit-cost ratio of less than unity—0.81 instead of 2.1 when you consider all of the cost factors.

I would call to the committee's attention also that this study by the Bectal Corp. was made in May of 1964. Here it is in June of 1968, some 4 years later, and we have had a substantial increase in interest costs and construction costs, of course, in that 4-year period.

To summarize our position we feel that first of all the projects are not economically or technically feasible in our area at this time.

We have a serious question as to the constitutional statutory authority for the project, even though they would be technically and economically unfeasible.

We feel—and I am sure you have heard this statement made many, many times before this committee these days—we feel that in a period when there is a need for restraint in Government spending that it would be a mistake to authorize projects which have so little to recommend themselves.

In closing I would like to quote from my own Congressman, Congressman Wilbur Mills, as to the need for controlling Government expenditures and the means to do this.

Mr. Mills says this, and I will quote him:

It is not enough to simply postpone expenditures in a given area. I think we have to go further up the spending stream, or the pipeline as it is called, to the obligation authority stage and provide more effective restrictions if we are ever to regain control over the rate of Federal expenditures. I believe we must mount our principal attack on the problem at the authorization level rather than after Federal outlays have already been authorized and are flowing down the pipeline.

We subscribe to the position of Mr. Mills and urge the committee not to approve the projects for the reasons that I have given.

Thank you, very much.

Mr. JONES. Mr. McCollam, do you know whether or not the Arkansas Power & Light Co. in 1950 opposed construction of the power section of the Dardanelle Dam?

Mr. McCOLLAM. To the best of my knowledge, Mr. Chairman, we did not oppose that but I am not positive.

Mr. JONES. Did you oppose the installation of the turbines?