

Mr. MENEES. Mr. Chairman, we simply do not agree with that position and we feel that we have a good number of facts that support our position.

We do feel that the power is needed in the area considering our load shapes, the loads we serve in the area and the already abundance of hydroelectric conventional peaking power in the area and it is just a peaking power due to the very load type of power it is.

Mr. JONES. Do the load growth, is your estimates based on this period or are they based on the period when it comes into production?

Mr. MENEES. They are based on projected load growth.

Mr. JONES. And they are based on a study that you referred to and submitted to you by a San Francisco firm in 1964?

Mr. McCOLLAM. Yes, sir.

Mr. JONES. Any questions?

Mr. CLAUSEN. Mr. McCollam, in reviewing your testimony did I understand you to say that these storage projects are purely for generating offbeat power naturally bear no significant relationship to the development of the Arkansas River for the purpose of flood control, recreation, and navigation?

Mr. McCOLLAM. Yes, Mr. Clausen; that is what I did say.

The only relationship of which these projects have to the navigation project is that they have as their source of water for pumping from the lower reservoir to the upper reservoir, the Arkansas River which is a part of the navigation project.

This is the only relationship they have to the navigation of flood control project along the Arkansas.

Mr. CLAUSEN. Well, then, you feel I gather that far-reaching policy implications are involved here as regards the authority of the Federal Government to get into power generation.

I wonder if you would elaborate briefly on that point for me.

Mr. McCOLLAM. Yes; we feel that they are far-reaching policy implications in the committee's being asked and the Congress being asked to approve these newer power projects because we feel that basically these projects develop no natural resource or bring into being any electric power energy or incidental project of the construction of the dam built to control floods, or improve navigation.

Again we submit that we feel there is no constitution or statutory authority for the United States to enter into this type of project that does not have a legitimate relationship to authorized purposes of flood control, navigation, and others.

Mr. JONES. Will the gentleman yield?

Mr. CLAUSEN. Yes.

Mr. JONES. Taking your thoughts a little further, do you think that the Federal License should be issued to private utilities?

Mr. McCOLLAM. We think that—are you speaking of the pump storage projects?

Mr. JONES. No, I am talking about a stream.

Do you think the Arkansas Power & Light Co. should file an application with the Federal Power Commission for the licenses to build a dam on the navigable stream in Arkansas?

Mr. McCOLLAM. Yes; we feel so.

Mr. JONES. If the Federal Power Commission had that authority under the law, where did the authority come from?