

dated September 1967. This very commendable report found that available evidence indicates that little, if any, direct employment of the unskilled rural poor results from the construction of natural resource projects (page 134). It also noted that the construction of such projects creates false hopes concerning their contribution to increasing employment and incomes of the rural poor.

It is also noteworthy that the Economic Development Administration, U.S. Department of Commerce, does not include construction jobs created by their projects as a means of justifying such projects (*Economic Development*, Vol. 4, No. 9, September 1967, page 2). The Association of American Railroads finds no support for a procedure that includes part of the project costs as a means of justifying authorization and construction of the project.

Transportation capacity.—The New Orleans District's report determined the area to be served by the proposed waterway has excellent transportation facilities. This analysis finds there is substantial underutilization of present transportation capacity. The proposed waterway will add to the excess capacity and result in the misuse of the nation's limited resources. Chronic excess transportation capacity can only result in increasing the Nation's total transportation costs.

Recommendation.—The analysis made by the AAR Overton Canal-Red River Waterway Project Committee found the benefit-cost ratio for the navigation project of the Red River, from its mouth to Shreveport, to be only 0.7 to 1, even on the basis of an unrealistic interest rate of $3\frac{1}{8}$ percent. Since the project clearly lacks economic justification, we recommend that the navigation project not be authorized by the committee.

This completes my statement and I appreciate the opportunity the committee afforded me in making this presentation.

Mr. TANGEROSE. The analysis made by the AAR Overton Canal-Red River Waterway Project Committee found the benefit-cost ratio for the navigation project of Red River, from its mouth to Shreveport, to be only 0.7 to 1, even on the basis of unrealistic interest rate of $3\frac{1}{8}$ percent. Since the project clearly lacks economic justification, we recommend that the navigation project not be authorized by Congress.

Mr. BLATNIK. Thank you, Mr. Tangerose.

Mr. TANGEROSE. Thank you, Mr. Chairman.

Mr. BLATNIK. Mr. Madden.

CALUMET-SAG PROJECT MODIFICATION

STATEMENT OF HON. RAY J. MADDEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA

Mr. MADDEN. Mr. Chairman, unfortunately, the Rules Committee is meeting all day. I came over to thank the committee for calling these hearings on the authorization and modification of the Calumet-Sag modification. I again thank the committee and express my support for this modification.

Mr. BLATNIK. We appreciate the gentleman making an extraordinary effort to be here in person on behalf of this project.

The Honorable John Kluczynski joins you in support of the project too.

Mr. Kluczynski.

STATEMENT OF HON. JOHN C. KLUCZYNSKI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. KLUCZYNSKI. I am pleased as a member of this committee to appear here today in support of H.R. 15433, a bill authorizing modification of the existing projects for the Illinois Waterway, Ill. and Ind.,