

Mr. CLAUSEN. The next project for consideration is the Navarro Mills Reservoir, Tex.

Mr. JONES. Colonel Shaffer, let's go over this project H.R. 12174, the Navarro Mills Reservoir in Texas, road location.

NAVARRO MILLS RESERVOIR, TEX., ROAD RELOCATION (H.R. 12174)

Colonel SHAFFER. Mr. Chairman and members of the committee, the purpose of H.R. 12174 is to authorize and direct the Secretary of the Army and the Chief of Engineers to make such changes as may be necessary in a road located in the Wolf Creek Park area and extending it across several arms of the Navarro Mills Reservoir, Tex. The bill would require the road to be above elevation 443 feet mean sea level which is the top of the flood control pool of this project. It would authorize the appropriation of such funds as may be necessary.

Available information indicates that this road improvement would extend some 9 miles along the north side of the reservoir and cost approximately \$2 million. It involves the construction of bridges and drainage facilities. Only a portion of the road could be accommodated on project lands and the balance of the right-of-way would have to be acquired.

We believe that the Wolf Creek Park recreation area has reasonably adequate road access from the county road system in this area. While the proposed additional access from the eastern side of the reservoir may be desirable, it is not considered to be essential for project requirements or public access to the Wolf Creek Park at the present time.

When the Navarro Mills flood control reservoir was placed in operation in 1963, the Corps of Engineers completed its obligations for road relocations. The local authorities at the time accepted the completed relocations as meeting requirements necessitated by the Navarro Mills project construction. The approved master plan for the Navarro Mills Reservoir area does not provide for a road as proposed in H.R. 12174.

Mr. Chairman, this concludes my statement.

Mr. CLAUSEN (presiding). Thank you. I guess there are no questions.

STATEMENT OF HON. OLIN E. TEAGUE, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF TEXAS

Mr. TEAGUE. Mr. Chairman and members of the committee, I appreciate very much the opportunity of appearing in support of my bill H.R. 12174 authorizing the Secretary of Army working through the Corps of Engineers to make certain changes in the roads located in the Wolf Creek Park area of the Navarro Mills Reservoir, Tex.

The State Highway Department of Texas has assured the county judge and the county commissioner's court of Navarro County that if the Corps of Engineers will participate to the extent of building bridges over the Wolf Creek branch, Strain branch, and the Thomas Harris branch, they will designate the road as a farm-to-market road and provide all-weather paving thereby linking three farm-to-market

roads and provide easier access to the recreation areas already provided by the Corps of Engineers.

The road in question of course is that unimproved road running west from FM 1578 and crossing the three aforementioned creek branches and linking up the junction of FM 639 and FM 744. A map is attached.

You will note from the map that all of the land where the bridges would be constructed is already owned by the corps as well as easements which run well north of the corps property. The road in question has no designation at the present time. It is used quite extensively by county residents, but is inundated a great deal of the time from high water which consequently denies access to much of the park and recreation area.

At this time I am not aware of any reports that the committee may have received from the Corps of Engineers, therefore I am unable to give any estimate of cost. There is however precedent for such action when the House and Senate concurred in a House bill 2178 during the 86th Congress which provided for similar improvements at White's branch in the Grapevine Reservoir.

Mr. HART. Mr. Chairman and members of the committee, H.R. 13370 would direct the Secretary of the Army to reconvey mineral rights in lands acquired for Navarro Mills Reservoir to former owners for an amount equal to the price paid when acquired, provided such rights are not required for the operation of the reservoir, and that application is filed within 1 year from date of enactment of this act.

The views of the Department of the Army have been recently furnished the chairman of this committee. As stated therein, this Department is unable to favor this bill as drafted, and recommends that the views be obtained of the Department of Interior and General Services Administration as to the merits of reconveyance to former owners.

Lands for this project were acquired by the corps during 1959 to 1961, comprising 11,004 acres of fee title in 236 tracts, and flowage easements in 229 tracts of 3,342 acres of land. The acquisition policy was to acquire mineral rights unless substantial costs were involved, or the owner objected. At the time, it was local custom to buy and sell land without severance of mineral rights, such being considered of only nominal value. As a consequence, all but seven of the 236 fee-owned tracts were acquired without reservation of mineral rights.

During the past several years, various oil companies started exploration programs in the vicinity of the Navarro Mills project. Speculation resulted in acquisition of numerous mineral leases by private interests. At Navarro Mills Reservoir, the Department of the Interior, since 1965, has issued 22 mineral leases of 8,641 acres of land at an annual rental of \$4,326. As a result, a number of former owners now desire revestment of mineral rights.

Normally, General Services Administration has primary responsibility for disposal of real property interest pursuant to the Federal Property and Administrative Services Act. Also, the Department of the Interior has general responsibility for leasing and disposition of minerals. We believe there is merit in having disposition of minerals centered in one agency. H.R. 13370 would, in effect, circumvent exist-

ing statutory requirements and give a preference to former owners at this project not afforded to former owners of similar Government projects.

Should the committee, nonetheless, favor this proposal, it is recommended that consideration be given to adoption of provisions similar to Public Law 85-245 (71 Stat. 563), approved August 31, 1957, relating to certain reservoirs in Mississippi.

(Statements follow:)

STATEMENT OF HON. OLIN E. TEAGUE (TEXAS) IN SUPPORT OF H.R. 13370

Mr. Chairman and members of the Committee, I appreciate very much the opportunity to appear in support of my bill, H.R. 13370 authorizing the Secretary of Army to make certain adjustments in lands or interests therein acquired in connection with the Navarro Mills Reservoir, Texas.

When the Federal government working through the Real Estate Division of the Corps of Engineers began to acquire the land for the Navarro Mills Reservoir, it is my understanding that the policy in effect at that time relating to mineral rights was essentially that if the United States did not need to retain such rights they returned such rights to the owner of the land if he asked for its return. In other words, in acquiring the land, if the owner requested that the mineral rights be kept by him, and it did not interfere in the operation of the reservoir, the United States permitted the owner to retain these rights.

Because the great majority of the land owners in the Navarro Mills Reservoir area were elderly people in the sixties and seventies who had resided there for a great number of years; and who were small farmers, both negro and white with little formal education relinquished these rights along with the sale of their property. At a later date, a few of these people learned that exceptions had been made in behalf of some of the more affluent land owners.

I would like to submit to the Committee for its files a map of the area which sets forth the various tracts involved and designated indicating those tracts in which the minerals were originally reserved and those tracts in which the minerals were revested at a later date. I would also like to include for the Committee files photostatic copies of affidavits taken from former owners who are now desirous of procuring the mineral rights as well as a complete listing which has already been furnished to the Secretary of Army of those people who desire return of such rights.

I am not aware of any report which the Committee may have received from the Department of Army and therefore I can give no estimate of cost should the bill be favorably considered. I do believe however that a moral obligation on the part of the United States towards a group of citizens is involved here and I would urge the Committee to seriously consider the bill in this light.

STATEMENT OF JOHN GOLDSUM, JUNE 20, 1968

Mr. Chairman and members of the committee, my name is John Goldsum, and I am a lawyer in Austin, Texas, with the firm of Clark, Thomas, Harris, Denius & Winters. We represent approximately 150 small landowners whose mineral rights were taken for construction of the Navarro Mills Reservoir, Texas. This statement is submitted in their behalf in support of H.R. 13370 by Congressman Olin E. Teague of Texas.

The people we represent feel very strongly that the Army Corps of Engineers unjustly discriminated against them in acquiring their mineral interests through condemnation and threats of condemnation while, unknown to them, permitting a favored few of their neighbors to retain their minerals. Among the latter were a retired Air Force General, an out-of-town bank, and several other more-influential and better-informed landowners.

Our clients include both Negroes and whites who have lived in Navarro and Hill counties, Texas, for most of their lives. Typically they are small farmers in their 60's and 70's with little or no formal education. The mineral rights taken from them underlie some 80 tracts of land ranging in size from 22.4 to 320 acres.

At the time of the land acquisition program, most of these people were not represented by lawyers. They simply could not afford the cost of protracted condemnation proceedings to protect the small current value of their mineral interests. As residents of one of the oldest oil-producing areas in the State of Texas, they were well aware of the potential value of such rights to their children and grandchildren. After making clear their desire to keep their mineral rights, however, they had no choice but to rely on the representations of government agents that all landowners were being treated alike, that all of the minerals were being acquired for the project, and that if they refused voluntary conveyance, the government would take their minerals through condemnation.

Later they discovered that certain notable exceptions had been made. At least four such instances have been found by diligent search of the court and deed records. Through their attorney-in-fact, J. W. Baumgardner, most of the other landowners then requested us to seek reconveyance of their minerals by the Army Engineers.

This we attempted to do in several conferences with the Army while in Washington on other business so as to hold down the expense to these clients. Despite an abundance of documentary evidence showing the gross inequities which had occurred, the Army Engineers failed to grant relief through administrative means. Congressman Teague then introduced the bill which is now before your Committee, H.R. 13370, specifically authorizing reconveyance of such mineral rights under certain conditions.

We feel that H.R. 13370 is most reasonable both in protecting the government and rectifying a grave injustice. Reconveyances under it would, of course, be subject to antipollution laws and drilling restrictions to safeguard the predominant flood control and water conservation purposes of the Navarro Mills Reservoir project. These conditions have been inserted both in deeds where the minerals were reserved and in court decrees revesting the minerals after condemnation, and our clients have no objection to them.

In preparing this statement, we do not have the benefit of the Army's comments on the Teague bill, which we understand have not yet been received. If the Army has any objections, we can only anticipate their content from what has been previously told us.

In replying to our request for administrative relief, the Army Engineers stated that it was their policy not to acquire mineral rights "where the owner objects or where a substantial additional cost would be involved . . ." If the Army had such a policy in Washington, either it did not filter down to its local representatives in Navarro and Hill counties, Texas, or they disregarded it in actual practice. We prefer to place the former interpretation on the results.

The Army further replied that "in those instances where landowners raised specific objections, as opposed to mere inquiries, they were permitted to retain their mineral rights . . ." Sworn affidavits from our clients, however, state unequivocally that this was simply not the case. In several instances, our clients were forced to repurchase small outstanding mineral interests before the government would pay them for their land.

Without unduly lengthening this statement, we attach a copy of the affidavit by Andy J. Snider, which is typical of others in our files. These can be furnished if the Committee so desires.

In his affidavit, Mr. Snider states under oath:

"I want to reiterate that I requested that I be allowed to reserve my minerals from the very first conversation with the Government's agent, and only gave in on this request after being assured by him that the Government had to have all minerals under the land and was taking them from everyone who had land in the lake, under the dam or parks, and that on this point, everyone was being treated the same. I relied upon his representations as being truthful. I have since found them to be false."

While Mr. Snider was relying on the government representations, the owners of land *immediately adjoining* his land were being permitted to keep their minerals. Court records in Civil Action No. 8616, U.S. District Court for the Northern District of Texas, Dallas Division, reveal that the government reconveyed to C. A. Ford et al, the minerals underlying Tract No. 115, which adjoins Mr. Snider's Tract No. 104. In the Ford case, the revestment of minerals took place some 3½ years after the judgment on Declaration of Taking, and presumably, long after most of the other owners had conveyed their minerals.

In view of this glaring example, if the Army reply above quoted was correct, it requires a new definition of "specific objections, as opposed to mere inquiries."

Under the present definition, it would appear that only those affluent land-owners with sufficient means to fight their cases through the courts will be permitted to keep their minerals.

On the other hand, our clients have no money to finance costly trips to Washington, as was necessary for the Air Force General to retain his minerals. They are not the type to "march on Washington" or take other "direct action" measures. They simply look to this Committee and the Congress to treat them fairly through the enactment of H.R. 13370.

THE STATE OF TEXAS,

County of Navarro:

Know all men by these presents, that I, Andy J. Snider, am 69 years of age and have been a resident of Navarro County, Texas, since 1934.

In 1941 I bought a farm containing 199.99 acres out of the Thomas Wright Survey, Abstract 820, in Navarro County, Texas, being just northwest of the little town of Navarro Mills, Texas. This farm was bought from the Corsicana National Bank who reserved all of the minerals for a term of fifteen years because a few years before, a well had been drilled for oil on it which well was subsequently plugged and abandoned. Years afterward and still today, this old well leaks some gas out of the pipe. This mineral interest which was reserved by the bank reverted to me in 1956 and I then owned all the surface and all of the minerals.

About December of 1959, I received a letter from the United States Corps of Army Engineers informing me that a Flood Control and Water Conservation Dam and Reservoir was to be constructed in the area and that my land would be taken by the Government for the project. A man came by a couple of weeks later and said that he was a Government agent and showed me a map of the Navarro Mills Project and how it affected by land. I was told that the Government had the power to take the land under powers granted it by Congress and that they wanted me to clear off my property before the 1st of January because they wanted to start construction on the dam at that time on land which included my 199.99 acres. I told him that in the event we reached an agreement for its purchase, I wanted to reserve my minerals under the land since the Government didn't need them to build this type of project. He told me that I could not reserve the minerals, that the Government was taking all the minerals under all of the land which would be under water and under the dam and parks. He said that the land would be appraised by two appraisers, one a Government appraiser, the other, a civilian appraiser.

About two weeks later this man came by to see me and said that he was the Government appraiser and would I show him my farm. We drove out to my farm in his car, and I pointed out several things about the place that I thought should deserve some credit for such as my big grove of pecan trees from ten to twenty inches in diameter, and a gravel pit from which I periodically sold goodly amounts of gravel. Then we walked over to the old oil well and I showed him how gas was still leaking from the casing. After he finished looking at the land, he took me back to my place and said that a civilian appraiser would be by soon.

The exact dates are not clear, but it wasn't long after that that I got a letter telling me what they were willing to pay me for my farm. I felt then as I feel now that their price was not enough, and so I refused to sign the Consent Letter agreeing thereto. Almost immediately they filed a Declaration of Taking condemning my land and depositing the amount of money first offered me in the court pending Final Judgment on the Declaration of Taking.

I discussed this whole matter with Judge May, and he advised me that since the Government agent had said that the Government had to have the minerals as well as the surface, and since they were treating everyone the same in this regard, then the only thing I stood to gain by protesting through condemnation proceedings was the possible slight increase in the amount paid for the land. He also cautioned that the court might possibly award less than the Government was willing to pay. With great reluctance, I wrote the Corps of Engineers District office telling them I would accept their offer. Judgment on the Declaration was subsequently entered, and I eventually got my money.

I want to reiterate that I requested that I be allowed to reserve my minerals from the very first conversation with the Government's agent, and only gave in on this request after being assured by him that the Government had to have all minerals under the land and was taking them from everyone who had land

in the lake, under the dam or parks, and that on this point, everyone was being treated the same. I relied upon his representations as being truthful. I have since found them to be false.

Sworn to and subscribed in Corsicana, Texas, this 10th day of March, 1967.

ANDY SNIDER.

SINGLE ACKNOWLEDGMENT

THE STATE OF TEXAS,
County of Navarro:

Before me, the undersigned authority, on this day personally appeared Andy J. Snider, known to me to be the person ——— whose name ——— is/are subscribed to the foregoing instrument and acknowledged to me that ——— he/they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this the 10th day of March A.D. 1967.

LOUIS JOE TEINCTO,

Notary Public in and for Navarro County, Texas.

Mr. CLAUSEN. Is there anyone else present here today who wishes to testify on this legislation?

Hearing no response, the subcommittee stands adjourned, subject to the call of the Chair.

(Whereupon, at 6:30 p.m., the subcommittee adjourned, subject to the call of the Chair.)

OMNIBUS RIVERS AND HARBORS, FLOOD CONTROL, AND RIVER BASIN MONETARY AUTHORIZATION BILL—1968

TUESDAY, JUNE 25, 1968

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON RIVERS AND HARBORS,
OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The Subcommittee on Rivers and Harbors met at 10:08 a.m. in room 2253, Rayburn Building, the Honorable John A. Blatnik (subcommittee chairman) presiding.

Mr. BLATNIK. The subcommittee will come to order. The Subcommittee on Rivers and Harbors is meeting this morning to start hearings on the River and Harbor Act of 1968. We will also meet Wednesday of this week to hear testimony on additional projects and proposed legislation.

The Corps of Engineers has been involved in the improvement of the Nation's rivers and harbors since 1824 when the corps received a small sum to begin the improvement of the Mississippi and Ohio Rivers. Over the years the civil works program of the Corps of Engineers has been greatly expanded to include all phases of comprehensive planning, development, utilization, and conservation of the water resources of the United States for a multiplicity of purposes, including flood control, hydroelectric power, fish and wildlife conservation, recreation, municipal and industrial water supply, water quality, and shore protection.

The navigation program consists of three major parts: foreign and coastwise traffic at coastal harbors and channels, foreign and lakewise traffic at Great Lakes harbors and channels, and traffic limited to the inland and intracoastal waterways. Each of these three systems has more than justified construction and operating costs by savings in transportation costs.

Natural harbors and channels are being progressively improved to provide the great depths required for modern ocean carriers. Depths of 35 feet now generally prevail at major harbors on the Atlantic and gulf coasts, ranging up to 45 feet in New York Harbor. Depths of 30 to 40 feet are generally available along the Pacific coast. Harbors and channels of lesser depth also have been provided for commercial fishing, recreational boating, and harbors of refuge.

The vast water areas of the Great Lakes, joined by improved connecting channels, provide a low-cost transport artery that permits movement of materials and products in huge quantities to advantageously located industrial areas. Controlling depths in the connect-

ing channels are now 27 feet or more in both upbound and downbound channels. There are some 60 harbors on the Great Lakes with authorized project depths of 18 to 27 feet. The Great Lakes are connected with the Gulf of Mexico by means of 9- to 12-foot barge navigation on the Illinois Waterway and Mississippi River. Connections with the Atlantic Ocean are provided by the New York State Barge Canal system and Hudson River, and by the 27-foot St. Lawrence Seaway.

The Federal Government has improved in varying degree some 22,000 miles of inland and intracoastal waterways, of which about 19,000 miles are currently in commercial use.

The forces of nature and the encroachments of man sometimes combine to deplete or destroy one of the Nation's greatest sources of beauty, recreation, and inspiration—the coastlines and beaches of the seas and the Great Lakes. Federal activities for the control of beach erosion and hurricane flooding are entrusted to the Corps of Engineers. The corps makes technical studies of sea and shore phenomena required to devise effective beach programs and recommends projects in which a share of the cost is borne by the Federal Government to prevent destruction of scenic and recreation values by storm.

Our first witness before the subcommittee this morning will be Gen. Charles C. Noble, Director of Civil Works, Office of Chief of Engineers. General Noble, it is a pleasure to welcome you here and to congratulate you on your recent appointment as Director of Civil Works.

We have General Noble, Director of Civil Works, Office, Chief of Engineers, Corps of Engineers, and staff, and his assistants, who will testify to different aspects or categories of projects.

General Noble, I believe you have an opening statement, or preliminary statement, to make at this point.

STATEMENT OF BRIG. GEN. CHARLES C. NOBLE, DIRECTOR OF CIVIL WORKS, OFFICE, CHIEF OF ENGINEERS, WASHINGTON, D.C.

General NOBLE. Yes, sir.

Mr. BLATNIK. Please proceed.

General NOBLE. Mr. Chairman and members of the committee: It is a pleasure for me to appear before you today. I am Brig. Gen. Charles C. Noble, and I have recently taken over my present assignment as Director of Civil Works and am looking forward to continuing the close cooperation maintained by my predecessors with your committee. We are here to discuss with you the Corps of Engineers civil works survey investigations favorable to navigation and related land resource developments, and other matters before your committee.

I would like to summarize briefly the present status of specific navigation project proposals.

There are 17 Department of the Army reports pending before the Congress which propose authorization of improvements in the interest of navigation and beach erosion control. The estimated Federal cost of the projects recommended in these reports amounts to about \$600 million. In addition to these reports there are 22 reports in the final stages of coordination with the States, Federal agencies, and the Bureau of the Budget prior to submission to Congress. These reports

recommend projects estimated to have a total Federal cost of about \$200 million.

This concludes my statement, Mr. Chairman, members of my staff are here with me and are available during these hearings to present in detail the project proposals, and the special items of legislation that are before your committee.

The first member of my staff that I ask to join me here, sir, is Col. Richard L. Seidel, Assistant Director of Civil Works for Atlantic Divisions, Office of the Chief of Engineers, Department of the Army.

Mr. BLATNIK. Colonel Seidel, do you have any additional comments, or opening statement, or shall we proceed with the projects?

STATEMENT OF COL. RICHARD L. SEIDEL, ASSISTANT DIRECTOR OF CIVIL WORKS FOR ATLANTIC DIVISIONS

Colonel SEIDEL. Sir, I am prepared to proceed with the projects.

PATAPSCO RIVER (BALTIMORE HARBOR, MD.) NONNAVIGABLE

Mr. BLATNIK. The first one is to declare an area of the Baltimore Harbor, Md., a portion of the Patapsco River nonnavigable.

Please give us a brief description of the area or proposal for the Baltimore area.

Colonel SEIDEL. The area that we are going to discuss lies in the extreme northwest portion of the Baltimore Harbor. The main harbor, the main channel, lies off to the southeast.

Mr. BLATNIK. Yes.

Colonel SEIDEL. Mr. Chairman and members of the committee, the proposed legislation would declare a portion of Baltimore's historic inner harbor nonnavigable waters of the United States. The city of Baltimore proposes to fill certain areas in this portion for the construction of the inner harbor project I renewal plan as developed by the City of Baltimore Urban Renewal and Housing Agency. The inner harbor program calls for the revitalization and redevelopment of one-fourth of Baltimore's downtown area. The first stage, inner harbor project I, contains 85 acres along three sides of the harbor basin, adjacent to the southeast corner of Charles Center. It will provide a wide range of development opportunities. Private construction will include office buildings, apartments, restaurants, shops, theaters, a motel-boatel with marina, garages, and other retail and service establishments—all complemented by tree-lined, landscaped boulevards, waterfront parks, and playing fields. Institutional development will include a 70,000-square-foot science center, an international trade center, apartments for the elderly, a nursing home, neighborhood and recreation center.

The purpose of the proposed legislation is to enable the city of Baltimore to show clear title to areas proposed to be filled in, so that bonds, secured by a mortgage on the area to be filled, may be issued. Under the navigation servitude of the United States, fill placed in navigable waters is subject to removal without compensation to its owner. While the possibility of such removal is remote where substantial development has occurred, still title and mortgage insurance firms are very reluctant to insure clear title to or accept as security

such filled lands unless the navigation servitude is made inapplicable. The proposed legislation is intended to accomplish this.

There is very little commercial navigation in the area proposed to be declared nonnavigable, and the city's project will enhance the value of the area for private recreation navigation by small craft. It would therefore appear that no adverse effects on navigation will result.

Mr. Chairman, that completes my statement.

Mr. BLATNIK. This area will be nonnavigable and the surrounding area will be navigable as far as recreation craft is concerned; will it not?

Colonel SEIDEL. That is correct.

Mr. BLATNIK. There is no cost to the Federal Government?

Colonel SEIDEL. That is correct.

Mr. BLATNIK. And we have had legislation of this type before where we have declared it nonnavigable for quite similar purposes; is that not so?

Colonel SEIDEL. Yes, sir.

Mr. BLATNIK. Thank you very much.

We are privileged to have the chairman of the full committee with us.

STATEMENT OF HON. GEORGE H. FALLON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND

The CHAIRMAN. I am taking this opportunity to advise my colleagues on the Public Works Committee of a most splendid and exciting project in the City of Baltimore and to ask your assistance in its successful accomplishment.

The City of Baltimore, through the Baltimore Urban Renewal and Housing Agency, is sponsoring the Inner Harbor Program, which calls for the revitalization and redevelopment of one-fourth of Baltimore's downtown area. The first stage, Inner Harbor Project I, contains 85 acres along three sides of the Harbor basin, adjacent to the southeast corner of the Charles Center. The boundaries of Project I are Gay Street and Battery Avenue on the east, Lombard Street on the north, Hughes Street and Key Highway on the south, and Charles and Hanover Streets on the west.

It is estimated that Project I will ultimately cost \$120,000,000 of which \$85,000,000 will be private or institutional investment. Public expenditures of almost \$35,000,000 will be required to acquire and clear the land and create a setting that will attract development by private enterprise.

Inner Harbor Project I will provide a wide range of development opportunities. Private construction will include office buildings, apartments, restaurants, shops, theaters, a motel-boatel with marina, garages and other retail and service establishments—all complemented by tree-lined, landscaped boulevards, waterfront parks and playing fields. Institutional development will include a 70,000 square foot Science Center, an International Trade Center, apartments for the elderly, a nursing home, neighborhood and recreation center.

The aggregate size of the facilities to be included in Project I is estimated as follows:

- 1,000,000 sq. ft. of net rentable area in office buildings;
- 200,000 sq. ft. of net rentable area in facilities for retailing, retail service, and related commercial activities;
- 800-1,000 apartment units;
- 7.25 acres of playing fields;
- 17.27 acres of parks and promenades;
- science center;
- nursing home;
- neighborhood center; and
- recreation center and gym.

Four existing structures in the project area will remain. They are the News American Building, McCormick and Company, Christ Lutheran Church, and the Fire Department's high pressure pumping station at the foot of South Street.

A problem has arisen, however, concerning the required land fill planned in a portion of the Northwest branch of the Patapsco River, which is considered to be navigable waters. Under existing law, the Federal Government may at any time require the removal or alteration without payment of compensation to the owners of artificial filled lands and any improvements thereon, which may, in the judgment of the Secretary of the Army, constitute an obstruction to navigation. This authority seriously affects the marketability of title to filled land areas to be sold by the city to redevelopers. Title companies have taken the position that they will only guarantee marketable titles to the filled land if this encumbrance is removed. It is most important that title to the filled land be approved as good and marketable.

In the past, problems like this have been solved by the passage of a bill by the Congress declaring the portion of the river involved "non-navigable" and thus removing the Federal paramount servitude. This would remove a cloud on the title and allow the City of Baltimore to make financial arrangements for development of the area for useful purposes other than navigation.

The Corps of Engineers had advised me that in view of the negligible character of commercial navigation in the basin, and the substantial public interest in converting this deteriorated area into a civil asset, they had no objection to declaring the required portion of Patapsco River nonnavigable.

Enactment of this legislation will not require the expenditure of any Federal funds.

Mr. FALLON. Mr. Chairman, just a brief description. It is a part of the Patapsco River that comes right up in the heart of the city. That is not used anymore. There is very limited navigation on it. The old structures that were there with the old bay boats and so forth have all been removed and part of it has been filled in to widen Calvert Street in Baltimore. This area is not being used for navigation. It is necessary that Congress act on this since it is necessary that the city of Baltimore get clear title to it, so that the buildings can be erected on there—one is the Port Authority of Maryland, and there will be a large marina in there for small boats and other buildings. The title companies will not give clear title to these structures unless the Congress acts.

There will be no cost to the Government, and it will be a great improvement to Baltimore City. I understand that the Chief of Engineers just sent up a letter approving favorable action of the committee, and I would like to ask unanimous consent that this be made a part of the record.

Mr. BLATNIK. Without objection, it is so ordered, Mr. Chairman. (The letter referred to follows:)

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., June 24, 1968.

HON. GEORGE H. FALLON,
Chairman, Committee on Public Works, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your informal request for our comments on the possibility of declaring a portion of Baltimore's Inner Harbor nonnavigable, in connection with the urban renewal project planned by the City of Baltimore in that area.

It is our understanding that the City proposes to fill certain areas in the Inner Harbor for use in the construction of the Inner Harbor Project I Renewal Plan. This plan is the first stage of a program which calls for the revitalization and redevelopment of one-fourth of Baltimore's downtown area. The first stage involves the construction of office space, apartments, shops, theatres, marinas, a Science Center, an International Trade Center, and recreation facilities.

The project is to be financed through the issuance of bonds, secured by a mortgage on the area to be filled. In order to obtain the necessary mortgage and title insurance, the City must be able to show clear title to the lands. Under the navigation servitude of the United States, fill placed in navigable waters is subject to removal without compensation to its owner. While the possibility of such removal is remote where substantial development has occurred, still mortgage and title insurance firms are very reluctant to insure clear title or to accept as security such filled lands unless the navigation servitude is made inapplicable. The procedure which has been developed to accomplish this is a Congressional declaration of non-navigability.

There is very little commercial navigation in the area proposed to be filled, and the City project will enhance the value of the area for private recreational navigation by small craft. It would therefore appear that no adverse effects on navigation will result.

Sincerely yours,

F. J. CLARKE,
Major General, USA,
Acting Chief of Engineers.

Mr. BLATNIK. Mr. Harsha.

Mr. HARSHA. I notice on this map that you provided us, Colonel, there are a series of piers—pier 1 and pier 2 and part of pier 3 seem to be involved.

Colonel SEIDEL. We exclude pier 3.

Mr. HARSHA. Your line goes up to the corner of it.

Colonel SEIDEL. That is the limit of the area that would be declared nonnavigable, the western side.

Mr. HARSHA. And you could not use one side of that pier according to this?

Colonel SEIDEL. That is right.

Mr. HARSHA. Then you do not exclude it entirely; do you?

Colonel SEIDEL. We exclude the structure, sir. We do not exclude the channel.

Mr. HARSHA. But you also impair the right to use the left side or the west side of it?

Colonel SEIDEL. Yes, sir. It is to be nonnavigable.

Mr. HARSHA. Have the people that operate those piers raised any objection?

Colonel SEIDEL. No, sir.

Mr. HARSHA. Have they been notified?

Colonel SEIDEL. Yes, sir.

Mr. HARSHA. Is there any objection to this project that you know of?

Colonel SEIDEL. None that we know of, sir.

Mr. HARSHA. Now I notice in this statement of yours that you have got a rather extensive urban renewal project to be put in here. Is there any housing for the poor to be built there, or is this all high rental property?

Colonel SEIDEL. Sir, I cannot answer that question. I have only information that it is an apartment building.

Mr. HARSHA. Do you know what the cost of this inner-harbor project is?

Colonel SEIDEL. Sir?

Mr. HARSHA. Do you know what the cost of this project No. 1 renewal plan is?

Colonel SEIDEL. No, sir; I do not have that information.

Mr. FALLON. I think it is \$120 million.

Mr. BLATNIK. We have figures here. It is estimated that project 1 will ultimately cost \$120 million, for which \$85 million will be private or institutional investment. Public expenditures are almost \$35 million and will be required to acquire the land and create a setting that will attract development by private enterprise.

Mr. HARSHA. In this legislation you refer to the Allegheny-Pepsi-Cola Bottling Co. Have they all been notified? They are apparently the owners of some of the parcels of land involved.

Colonel SEIDEL. Yes, sir. This resulted or was a result of the action of a city ordinance passed by the city of Baltimore. The action was taken after everyone was made aware of the plans of the city to embark upon the urban renewal project.

Mr. HARSHA. Was there any objection raised at the time the ordinance was adopted?

Colonel SEIDEL. None that I know of, sir.

Mr. HARSHA. That is all I have, Mr. Chairman.

Mr. BLATNIK. Thank you. Next we will go to No. 2 on your list, Bristol Harbor, R.I. Colonel, please proceed.

BRISTOL HARBOR, R.I.

Colonel SEIDEL. Mr. Chairman and members of the committee, this report concerns improvement of Bristol Harbor, R.I., located about 13 miles from Providence along the eastern side of Narragansett Bay, in the interest of navigation. It is responsive to a resolution by the House Committee on Public Works.

The strategic location of Bristol Harbor in relation to Narragansett Bay and Providence supports extensive use by commercial fishing vessels, recreational craft, and ferry boats. There is no Federal project for the harbor. The harbor is afforded natural shelter from all but southerly storms and protection from these storms is needed.

The plan of improvement consists of a 1,600-foot-long detached breakwater structure located strategically in the harbor mouth. Total first cost of the project is estimated at \$1,364,000, of which \$873,000

would be Federal and \$491,000 would be local. The benefit-cost ratio is 1.5. The usual items of local cooperation are required and local interests have indicated their willingness and ability to meet all the requirements. All interested Federal and State agencies favor the project. The Bureau of the Budget has no objection to the submission of the report.

Since the Federal cost for this project is less than \$10 million, the views set forth by the Secretary of the Army in his letter of January 6, 1967, submitting a draft bill to amend section 201 of the Flood Control Act of 1965, would apply.

Mr. Chairman, this completes my statement.

Mr. BLATNIK. Thank you. Are there any questions?

Our next witness will be Congressman Fernand J. St Germain.

STATEMENT OF HON. FERNAND J. ST GERMAIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF RHODE ISLAND

Mr. ST GERMAIN. Mr. Chairman, the seashore in Rhode Island, which is one of the finest in the Nation, is both an important source of recreation and income for the residents of my State. Many of us believe that Narragansett Bay, which boasts 250 miles of shoreline, holds the key to Rhode Island's endeavor to realize its full potentiality.

Therefore, Mr. Chairman, you can well understand the importance that is assigned to any projects relating to Narragansett Bay.

One very important project relating to Narragansett Bay that I would like to address myself this morning concerns the construction of a breakwater in Bristol, R.I.

A breakwater, spanning 1,600 feet across the southern end of Bristol Harbor, has been proposed and favorably recommended by the Department of the Army that would afford to this harbor the protection it needs to realize its full potentiality. Though it is a large, accessible, and busy harbor, it is presently unprotected from rising seas and winds to the south, thus hampered as to its present and future use and development. Therefore, I deem it necessary and urgent that your committee act expeditiously and favorably on this project.

Bristol Harbor is one of the finest natural harbors along Rhode Island's highly esteemed Narragansett Bay. Its strategic location in relation to Narragansett Bay and to the city of Providence is a dominant factor in the use of this harbor. It is the base for 75 fishing vessels and, during 1965, 2.7 million pounds of shellfish were handled in this harbor. In addition to the fishing fleets, it services a sizable boatyard; a vast number of ever-increasing pleasure craft; four ferryboats, making more than 1,800 vessel trips annually and carrying about 35,000 people; a large but still expanding yacht club; and the U.S. Coast Guard.

According to a study of Bristol Harbor made by the Board of Engineers for Rivers and Harbors, an independent review agency established to scrutinize U.S. Army Corps of Engineers project proposals:

The proposed improvement [Bristol Harbor Breakwater] will provide for the estimated needs of existing and prospective navigation within the capabilities of cooperation and as desired by local interests. The improvement is needed and economically justified and the requirements of local cooperation, as modified herein, are appropriate.

The project, I might add, is one of five projects recommended by this Board for congressional action.

The advantages to be realized from construction of this breakwater are as great as they are far reaching. The local redevelopment agency, which contemplates work on the waterfront area, believes that reduction of storm and wave action damage will greatly benefit their program and that it will provide aid in obtaining Federal funds and in encouraging the development of marinas and dockside facilities.

It is also a known fact that many of the shellfishing fleets leave Bristol in the summer due to a lack of dock space and safe mooring area. If the breakwater were built, it is strongly felt that all of the present fleet would remain year-round and would probably triple in number.

Mr. Chairman, I believe that the need and significance of the Bristol breakwater project have been well manifested. I once again request that your subcommittee act in accordance with the recommendations of the Board of Engineers for Rivers and Harbors and submit a favorable report to the House. This project is much too important to the town of Bristol, R.I., to permit unfavorable action by your subcommittee.

The General Assembly of the State of Rhode Island has expressed its concern about this project in the form of a resolution enacted in March 1968. I would, at this time, like to recite this resolution:

RESOLUTION

MEMORIALIZING THE MEMBERS OF THE U.S. SENATE AND HOUSE OF REPRESENTATIVES FROM THE STATE OF RHODE ISLAND TO MAKE EVERY EFFORT TO SEE THAT ACTION IS TAKEN TO BUILD A BREAKWATER IN BRISTOL HARBOR IN THE TOWN OF BRISTOL, R.I.

Whereas, Bristol, Rhode Island has suffered tremendous amounts of damage from past hurricanes, wave and tide action to its industry, business, railroad property, government property, and yachting facilities; and

Whereas, a public hearing was held on this proposal on December 11, 1957, by the U.S. Army Corps of Engineers; and

Whereas, thereupon surveys and plans for this breakwater were made by the U.S. Army Corps of Engineers in 1958: Now, therefore, be it

Resolved, That the members of the United States senate and house of representatives from the state of Rhode Island are respectfully requested to take proper action to have such breakwater constructed as soon as possible in Bristol harbor in said town of Bristol, Rhode Island; and be it further

Resolved, That the secretary of state be and hereby is authorized to transmit duly certified copies of this resolution to the Rhode Island delegation in Congress.

You may be assured that the people of Bristol and the entire State of Rhode Island will be most appreciative of your assistance in their behalf.

Thank you.

Mr. BLATNIK. Thank you, Mr. St Germain. The next project is Fall River Harbor, Mass. and R.I.

FALL RIVER HARBOR, MASS. AND R.I.

Colonel SEIDEL. Mr. Chairman and members of the committee, this report concerns improvement of the existing Fall River Harbor in Massachusetts and Rhode Island in the interest of commercial navigation. It is in response to a House Public Works Committee resolution adopted July 31, 1957.

The existing project provides a main channel depth of 35 feet through Mount Hope Bay into Taunton River with a branch leading

to the waterfront at Tiverton, R.I. The tributary area includes portions of Massachusetts, Rhode Island, Vermont, and New Hampshire, and supports a population of about 1 million. Deep draft commerce is composed chiefly of inbound petroleum and coal destined for several shoreline oil companies and two major power companies. Tonnage increased about 50 percent between 1955 and 1964, from 2 million to 3 million tons.

The plan of improvement calls for deepening the channels to 40 feet and altering a presently restrictive bridge across the upper channel to provide a wider navigation opening. The improvements will permit use of larger, more efficient vessels which will reduce transportation costs for shippers. Total cost is estimated at \$10,109,000 of which \$8,762,000 would be Federal and \$1,347,000 would be local. The benefit-cost ratio is 3.5. In addition to the usual items of local cooperation, local interests are required to remove one restrictive bridge and share in the costs of modifying another. Willingness and ability to meet these requirements has been indicated. All interested Federal and State agencies favor the project. The Bureau of the Budget has no objection to the submission of the report to Congress. However, it notes that vessels using the northern arm of the Tiverton Channel, about one and a quarter miles along, serve only the Gulf Oil Corp. It believes that a question exists as to whether this segment of the project benefits more than a single user. The Bureau states that if the project is authorized, it expects further consideration be given this matter prior to any request for funds to initiate construction. If this segment is authorized for construction, the Bureau recommends that prior to expenditure of Federal construction funds, local interests agree to pay 50 percent of construction costs of the northern arm of the Tiverton Channel and that if cost sharing is not provided, construction of that segment of the Tiverton Channel shall not commence until such time as there are additional users or the Secretary of the Army determines that there will be additional users within a reasonable period of time.

Since the Federal cost for this project is less than \$10 million, the views set forth by the Secretary of the Army in his letter of January 6, 1967, submitting a draft bill to amend section 201 of the Flood Control Act of 1965, would apply.

This completes my statement, Mr. Chairman.

Mr. BLATNIK. Just one quick question or two questions. First, you are going to have modification of one restrictive bridge. Which bridge is that and what is the nature of the modification and approximate cost?

Colonel SEIDEL. Sir, this is the bascule bridge. At the present time the horizontal clearance is 98 feet, and this would be increased to 300 feet.

The cost of the bridge alteration is divided between the Federal and non-Federal interests on the basis of \$3,178,000 Federal and \$497,000 non-Federal.

Mr. BLATNIK. About a third of the total project cost for this channel improvement will be on this bridge modification; will it not?

Colonel SEIDEL. Yes, sir.

Mr. BLATNIK. Then the major aspect of the modification will be the horizontal clearance from approximately 98 to 300 feet.

Colonel SEIDEL. Yes, sir.

Mr. BLATNIK. Referring to the northern arm of the Tiverton Channel, you state that there is a question as to whether this segment of the project benefits more than a single user and that the Bureau states that it expects to give further consideration. You are referring now only to the northern arm of the Tiverton project?

Colonel SEIDEL. Yes, sir.

Mr. BLATNIK. Only that part of the total project proposal; is that right?

Colonel SEIDEL. Yes, sir. That length of about $1\frac{1}{4}$ miles.

Mr. BLATNIK. I have no further questions?

Mr. HARSHA. Although the Budget raises that question, Colonel, has it been the practice of the Congress to authorize projects similar to this?

Colonel SEIDEL. Yes, sir.

Mr. HARSHA. Now one other question that I wanted to ask you. How do you arrive at this division of cost from \$8.7 million Federal and \$1.3 million local?

Colonel SEIDEL. Sir, the non-Federal costs are for the bridge, estimated at \$497,000 and the sum of \$850,000 which would be required for the local interests to dredge berthing areas and to provide access channels to the piers and wharfs. This means that their total sum of \$1,347,000 is made up of two components, the bridge and the dredging beyond the main channel, so that they can use the facility. The rest of the cost is all Federal.

Mr. HARSHA. Is that the usual formula you follow?

Colonel SEIDEL. Yes, sir.

Mr. HARSHA. Thank you.

Mr. BLATNIK. We have as a witness next our distinguished colleague Mrs. Margaret Heckler.

STATEMENT OF HON. MARGARET M. HECKLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mrs. HECKLER. Mr. Chairman, the Chief of Engineers, Department of the Army, has submitted to the honorable members of your committee a report on Fall River Harbor, States of Massachusetts and Rhode Island, as set forth in House Document No. 175, 90th Congress, first session.

I strongly endorse the recommendations as set forth, and I urge that your committee approve the authorization as requested.

The work to be done would include certain widening and/or deepening of existing channels and turning basins, as well as the alteration of the Brightman Street Bridge. The result would be a modern-day harbor that could attract modern-day vessels.

Another result would be a positive breakthrough for a city of nearly 100,000 inhabitants which has never fully recovered from the loss of its principal industry, but a city which has nonetheless embarked upon a concerted effort to become competitive again.

I refer to Fall River, Mass., once the textile capital of the Nation, but, since the 1920's, a city whose economic fortunes have too often fallen to dangerous levels.

Now, I am proud to report, a new Fall River is emerging. Continuing efforts to attract new commercial, industrial, educational, and recreational development have borne fruit, and several proposed al-

terations to the city's skyline have fired the imagination of a citizenry too used to dreariness, the hopelessness, the despair that have afflicted so many of our older cities.

A bold new downtown commercial development, hopefully to be financed privately, has been announced, a venture that promises to spearhead an ambitious downtown restoration program already underway.

The Port of Fall River Authority, in its efforts to stimulate trade through the State's second-largest port, has made impressive gains. Recently I was instrumental in bringing Federal officials to the waterfront area for an inspection of the authority's facilities, resulting 2 weeks later in certification by the Department of Agriculture that permits greatly expanded exports through the port of Fall River of grain and similar commodities under our various foreign aid programs.

Three local educational institutions—Southeastern Massachusetts Technical Institute, Bristol Community College, and Diman Vocational School—are expanding rapidly in order to keep up with the demands of citizens for more and better educational services. The rival in Fall River Harbor of the proud old battleship—the U.S.S. *Massachusetts*—for permanent berthing has not only generated estimated annual tourist revenue of more than \$2 million, but has inspired the entire city to explore other ways and means by which to strengthen the economy.

Finally, a truly unique new project—the Marine Museum at Fall River—has captured the interest of the entire area and has generated still more local pride. This new facility, located near the battleship, has gathered under one roof a collection of ship models and other artifacts that promises to generate still additional tourist revenues. That is why the Fall River Harbor project is such an important and necessary part of this massive communitywide attempt to halt the direction toward ill fortune and aim instead toward rebirth and revitalization.

Specifically, the project would: (a) deepen to 40 feet the existing turning basin at the head of the Mount Hope Bay channel, providing a channel 40 feet deep by 400 feet wide in Tiverton Lower Pool to the vicinity of the Rhode Island Refining Corp. terminal; (b) widen the bend into the Tiverton upper channel to 600 feet; and (c) alter the Brightman Street Bridge to provide for a clear channel width of 300 feet in the drawspan.

I do not regard the expenditure of \$8.7 million lightly, especially at a time when nondomestic commitments are placing a mighty strain in the Federal pocketbook. But neither do I regard lightly the efforts of 100,000 residents of Fall River to return their home city to a position of economic and competitive importance. If they are willing to roll back the tide at home, their Government should be willing to help. At present, the harbor lends itself to daylight operations alone. Other limitations arising from tidal and wind problems place a severe handicap on local efforts to develop a competitive port. Thus, a harbor whose principal products of transport are petroleum and coal finds herself unable to accommodate modern supertankers, merely because she is not quite deep enough and not quite wide enough.

The Bureau of the Budget has commented that it has no objections to the project; but qualifies its comments with its opinion that the deepening of the Tiverton Channel would possibly benefit only the Gulf Oil Corp. Thus, it would ultimately require that local interests pay one-half of the costs attendant to this one segment of the project, or that the work in the Tiverton Channel would be held up until other users might appear.

The function of the Bureau of the Budget is to protect the taxpayers' dollars by close examination of proposed expenditures, and I commend them in this instance for their precautionary comments. But, on the other hand, industrial relocations have become more and more commonplace these days, and no industry will doggedly remain in any area where it is unable to be competitive.

Already there are reports that another oil company in the area—Shell—may relocate unless the project is undertaken. Shell is the city of Fall River's second largest taxpayer and No. 1 importer, and its relocation would be a mortal blow to Fall River.

Thus, it becomes clear that there is a pressing economic necessity for immediate action on the entire project as presently planned. Over and above the ability of supertankers to come into the harbor, with attendant lower towing charges and fuel costs, is the great benefit it will bring to the local fishing fleet and to recreational development.

Mr. Chairman, Fall River must change; she wants to change; she is changing. For its part, the Federal Government has stated over and over again its deepest concern with the so-called problems of the cities. It has pinpointed most of our domestic problems as directly stemming from the problem of the cities. Here is an unparalleled opportunity for the Federal Government to translate its concern into action. It is my earnest request that your committee do everything in its power to make the Fall River Harbor project a reality.

Mr. BLATNIK. Thank you, Mrs. Heckler. The next project is Ipswich River, Mass.

IPSWICH RIVER, MASS.

Colonel SEIDEL. Mr. Chairman and members of the committee, this report concerns improvement of Ipswich River, in northeastern Massachusetts, about 40 miles north of Boston, in the interests of recreational boating and commercial fishing. It is in response to a resolution by the House Committee on Public Works.

Ipswich River empties into Plum Island Sound and Atlantic Ocean. The river has been improved for navigation as far back as 1886. Both the Federal and State Governments have improved the channel but it is now shoaled up to the point where increasing boating demand cannot be met and commercial fishing vessels must await favorable tides.

The project recommended would provide a two-and-a-half-mile-long channel 6 feet deep, a jetty at the river mouth, and two 6-foot-deep anchorage areas along the channel. Total cost is estimated at \$893,000, of which \$616,000 would be Federal. The benefit-cost ratio is 1.8. Normal items of local cooperation are required and assurances of such cooperation have been received. All interested Federal and State agencies favor the project and the Bureau of the Budget has no objection to the submission of this report.

Since the Federal cost of this project is less than \$10 million, the views set forth by the Secretary of the Army in his letter of January 6, 1967, submitting a draft bill to amend section 201 of the Flood Control Act of 1965, would apply.

Mr. Chairman, this completes my statement.

Mr. BLATNIK. It is a small project, but obviously very important to this area with the channel depth of 6 feet running $2\frac{1}{2}$ miles. There is no objection from any of the agencies and the corps recommends its adoption; is that correct?

Colonel SEIDEL. Yes, sir.

Mr. BLATNIK. So we will proceed.

The next will be Revere and Nantasket Beaches, Mass.

REVERE AND NANTASKET BEACHES, MASS.

Colonel SEIDEL. Mr. Chairman and members of the committee, this report concerns improvement of Revere and Nantasket Beaches, near Boston, Mass., in the interest of beach erosion control. It is responsive to section 2 of the River and Harbor Act approved July 3, 1930, as amended.

Revere Beach has a Federal beach widening project. Nantasket and Revere Beaches have locally built seawalls and retaining walls. Erosion resulting in loss of beach and frequent serious storm damage necessitate additional protective measures.

The Chief of Engineers in his proposed report recommends beach widening and periodic nourishment along 13,000 feet at Revere Beach and 6,800 feet at Nantasket Beach at an estimated cost of \$4,400,000 of which \$2,200,000 would be Federal. Benefit-cost ratios are 4.2 for Revere Beach and 3.2 for Nantasket Beach.

Local interests are willing to provide the necessary items of local cooperation. The report has been submitted to the State of Massachusetts and the interested Federal agencies. Upon receipt of the comments the report of the Chief of Engineers will be set to the Bureau of the Budget through the Secretary of the Army prior to the submission to Congress by the Secretary of the Army.

Mr. Chairman, this completes my statement.

Mr. BLATNIK. The total estimated cost of the overall project costs are split 50 percent Federal and 50 percent State?

Colonel SEIDEL. Yes, sir.

Mr. BLATNIK. This is usual for beach erosion and control projects. I notice you have no comments from the Bureau of the Budget. It means that it has not yet cleared the Bureau of the Budget or the State; is that correct?

Colonel SEIDEL. That is correct, sir. It is now out to the State and agencies for comment.

Mr. BLATNIK. I believe we will make note of that to be certain that the staff does have the reports.

Mr. HARSHA.

Mr. HARSHA. How long will it be before that gets into the Bureau of the Budget; do you know?

Colonel SEIDEL. Sir, the States and agencies have 90 days to comment if they take it. They have been asked to expedite. Their com-

ments are due September 6, if they take the full 90 days. We have asked them to expedite, however.

Mr. HARSHA. How long does it take Bob? Is there any possibility that we can get these reports in before this——

General NOBLE. It is possible, sir.

Mr. HARSHA. Is it probable?

General NOBLE. I do not know whether it is probable. It could be done. They are reasonably acquainted with the project. It will not take the Chief long to get it to the Secretary of the Army; and the Secretary of the Army has been very prompt in getting it over to BOB. BOB has been very prompt about these things, and it all depends on whether they hang up on this report or not.

Mr. BLATNIK. We will have the staff keep the chairman and the members informed on the progress of these reports.

Next is Hempstead Harbor, N. Y.

Can you summarize the essential points, Colonel, and the entire statement will appear in its entirety at this point.

HEMPSTEAD HARBOR, N. Y.

Colonel SEIDEL. Mr. Chairman and members of the committee, this report concerns improvement of the existing Hempstead Harbor on the north coast of Long Island, N. Y., in the interest of commercial navigation. It is responsive to a resolution adopted by the House Committee on Public Works on August 15, 1961.

The existing project provides for a channel 6 feet deep, 100 feet wide, and 2 miles long, leading from the sound to terminal facilities in the town of Oyster Bay and North Hempstead. The tributary area consists of Nassau County, one of the most densely populated counties in the Nation, with a 1960 population in excess of 1,300,000. Commerce is composed primarily of sand shipments and petroleum receipts and totaled about 3,700,000 tons in 1964. This tonnage represents almost a fivefold increase since 1945.

The plan of improvement calls for deepening the channel to 13 feet and widening to 150 feet and providing a 9-foot deep turning basin at the head of the channel. These improvements will permit more economical vessel loads and result in considerable savings to shippers. Total cost is estimated at \$703,000, all of which is Federal and the benefit-cost ratio is 2.4. The usual items of local cooperation for commercial navigation projects are required and local interests have indicated their willingness and ability to meet all requirements. All interested Federal and State agencies favor the project. The Bureau of the Budget has no objection to submission of the report to the Congress.

Since the Federal cost for this project is less than \$10 million, the view set forth by the Secretary of the Army in his letter of January 6, 1967, submitting a draft bill to amend section 201 of the Flood Control Act of 1965 would apply.

This completes my statement, Mr. Chairman.

Mr. BLATNIK. The Department comments and the State comments are favorable and the Bureau of the Budget has no objection.

Colonel SEIDEL. That is correct, sir.

Mr. BLATNIK. No further questions?

Mr. GRAY. Just one quick question. How long will this improvement be, Colonel?

Colonel SEIDEL. Approximately 2 miles.

Mr. GRAY. Two miles?

Colonel SEIDEL. 2.1 miles.

Mr. GRAY. Sounds pretty reasonable. \$700,000 did you say?

Colonel SEIDEL. \$703,000

Mr. GRAY. That is all.

Mr. BLATNIK. Next is the New Jersey coastal inlets and beaches.

NEW JERSEY COASTAL INLETS AND BEACHES

Colonel SEIDEL. Mr. Chairman and members of the committee, this report concerns improvement of approximately 28 miles of southern New Jersey coast from Great Egg Harbor Inlet to Stone Harbor in the interest of navigation and beach erosion control. It is responsive to two House Public Works Committee resolutions and to an item in section 110 of the 1962 River and Harbor Act.

Existing Federal and non-Federal projects consist of placement of fill and dunes, beach nourishment, groins, and bulkheads.

The Chief of Engineers in his proposed report recommends jetty, bulkhead, and channel construction, beach widening and nourishment, and groin construction at an estimated cost of \$23,820,000 of which \$11,750,000 would be Federal. The project consists of three reaches: Great Egg Harbor Inlet and Peck Beach, Corson Inlet and Ludlam Beach, and Townsend Inlet and Seven Mile Beach with benefit-cost ratios of 4.4, 2.1, and 2.1 respectively.

Local interests are willing to provide the necessary items of local cooperation. The report has been submitted to the State of New Jersey and the interested Federal agencies. Upon receipt of the comments, the report of the Chief of Engineers will be sent to the Bureau of the Budget through the Secretary of the Army prior to the submission to Congress by the Secretary of the Army.

Mr. Chairman, this completes my statement.

Mr. BLATNIK. No comments from the Bureau of the Budget?

Colonel SEIDEL. No, sir.

Mr. BLATNIK. Is there a time limit on that? Within what time may we expect these reports to be in?

Colonel SEIDEL. September 4, sir.

Mr. BLATNIK. The 4th of September?

Colonel SEIDEL. Yes, sir.

Mr. BLATNIK. Will the staff please double check this project to be sure that we do have the necessary reports and the committee is so notified. Next is Port Sutton, Tampa Harbor, Fla.

PORT SUTTON, TAMPA HARBOR, FLA.

Colonel SEIDEL. Mr. Chairman and members of the committee, this report concerns maintenance of Port Sutton channel and turning basin in Tampa Harbor, Tampa Bay, about midway on the peninsular gulf coast of Florida. It is in response to Senate and House Public Works Committee resolutions.

The existing Federal project in Tampa Harbor consists of several channels, including Port Sutton channel and turning basin. Local interests have improved the authorized 30-foot deep Port Sutton chan-

nel and turning basin to 34 feet to meet present navigation needs. The Chief of Engineers in his proposed report recommends Federal maintenance of the existing channel and basin dimensions. Total annual charges are estimated at \$9,200. The benefit-cost ratio is 4.5.

Local interests are willing to provide the necessary items of cooperation. The report has been submitted to the State of Florida and the interested Federal agencies. Comments have been received from the State and the Department of Transportation. Upon receipt of the other comments, the report of the Chief of Engineers will be sent to the Bureau of the Budget through the Secretary of the Army prior to the submission to Congress by the Secretary of the Army. This concludes my statement, Mr. Chairman.

Mr. BLATNIK. Is there any Federal cost involved?

Colonel SEIDEL. Yes, sir, maintenance cost only. The total annual charges are estimated at \$9,200.

Mr. BLATNIK. Making its cost—I meant no new construction.

Colonel SEIDEL. Nothing new.

Mr. BLATNIK. The benefit-cost ratio is 4.5. Are all the Department reports in on this?

Colonel SEIDEL. Sir, I have the Department of Transportation and State of Florida. I do not have the other one.

Mr. BLATNIK. Will the staff again make note here and double check this and be sure all the necessary reports from the Departments and Bureau of the Budget are in.

Colonel SEIDEL. The comments are due August 6, sir.

Mr. BLATNIK. When?

Colonel SEIDEL. August 6.

Mr. BLATNIK. Sixth of August?

Colonel SEIDEL. Yes, sir.

Mr. BLATNIK. If there are no further questions, we will proceed to Brevard County, Fla. I call on my colleague, Congressman Gurney.

STATEMENT OF HON. EDWARD J. GURNEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. GURNEY. Mr. Chairman, I appreciate this opportunity to appear in support for a very important project for Florida's Fifth Congressional District. This project would provide beach erosion control along the ocean shore of Brevard County, Fla., South of Canaveral Harbor. This beach is an important recreational and public use area, essential to the economy of the region it serves.

This projects consist of the restoration of 2.8 miles of beachfront at the city of Cape Canaveral and 2 miles of oceanfront at Indialantic and Melbourne Beach by widening and repairing the level of the sand beach. These beaches have eroded severely and are in urgent need of restoration. This serious threat of beach erosion can be reduced significantly by providing a protective and recreational beach that consists of a berm 50 feet wide at elevation of 10 feet above mean-low-water level and a natural seaward slope as will be shaped by wave action along 14,600 feet of beach at the city of Cape Canaveral and 10,600 feet of beach at Indialantic and Melbourne Beach.

Local interest have agreed to pay more than half of the cost, leaving the cost to the Federal Government at \$680,000. The benefit-to-cost

ratio for the whole project would be 3.5 to 1 (5.9 to 1 for the city of Cape Canaveral and 2.5 to 1 for Indianlantic and Melbourne Beach). The Bureau of the Budget has recently cleared this project and I strongly urge the committee to approve this much needed project.

BREVARD COUNTY, FLA.

Mr. BLATNIK. Colonel Seidel, please proceed.

Colonel SEIDEL. Mr. Chairman and members of the committee, this report concerns improvement of Florida's Brevard County beaches, south of Cape Kennedy, in the interest of beach erosion control. It is in response to resolutions by the Senate and House Public Works Committees.

There are no existing erosion control projects in the area. Local interests desire improvements to prevent beach erosion damages. The Chief of Engineers in his proposed report recommends placement of beach fill along 2.8 miles of the city of Canaveral coast and along 2 miles of Indianlantic and Melbourne Beach. Total estimated cost of the project is \$1,363,000 of which \$680,000 would be Federal. The benefit-cost ratios are 5.9 for the city of Cape Canaveral Beach, 2.5 for Indianlantic and Melbourne Beach, and 3.5 for the entire project.

Local interests are willing to provide all necessary items of local cooperation. The State and Federal agencies favor the project. The Bureau of the Budget has no objection to submission of the report to the Congress. This concludes my statement, Mr. Chairman.

Mr. BLATNIK. Again, it is a 50-50 bearing even split, is it not, Colonel?

Colonel SEIDEL. Yes, sir.

Mr. BLATNIK. The benefits-cost ratio is very favorable, 3.5 average.

We do have favorable reports from the department and the State and we have just received notice that the Bureau of the Budget report has also come in. It is favorable.

If there are no further questions, we will proceed.

Colonel SEIDEL. That completes my portion of the presentation.

General NOBLE. Col. Ferd Anderson will testify on some additional projects.

Mr. BLATNIK. Col. Ferd E. Anderson, Jr., you are the assistant director of civil works with the central division, is that not correct?

STATEMENT OF COL. FERD E. ANDERSON, JR., ASSISTANT DIRECTOR OF CIVIL WORKS FOR CENTRAL DIVISIONS—Resumed

Colonel ANDERSON. That is correct.

Mr. BLATNIK. We will proceed with Cattaraugus Creek Harbor, N.Y.

CATTARAUGUS CREEK HARBOR, N.Y.

Colonel ANDERSON. Mr. Chairman and members of the committee, this report concerns improvement of Cattaraugus Creek, a tributary of Lake Erie located about 24 miles southwesterly of Buffalo, N.Y., for navigation and flood control. It is in response to a resolution by the Senate Public Works Committee and to items in the River and Harbor Acts of 1945 and 1946.

There is no existing Federal project in the basin. Local interests desire improvement to provide a navigable entrance to the harbor and to eliminate flood damages. The project recommended consists of providing breakwaters at the mouth of Cattaraugus Creek; an entrance channel 100 feet wide and 8 feet deep; a maneuvering area about 300 by 600 feet, 6 feet deep; a channel, 100 feet wide, 6 feet deep, from the maneuvering area upstream about 1,900 feet; a riprapped channel extending about 750 feet upstream from the navigation channel through the New York Central Railroad bridge; levees on the left bank totaling about 770 feet in length; and recreational facilities for breakwater fishing. Total estimated cost of the project is \$1,840,000 of which \$1,315,000 is Federal, including reimbursement of \$30,000 for recreational features. The benefit-cost ratio is 1.3 to 1.

Local interests are willing to provide the normal items of local co-operation for flood control, small boat navigation, and pier fishing. The State and Federal agencies have commented favorably on the report. The Bureau of the Budget has no objection to submission of the report to the Congress.

Mr. Chairman, this completes my statement.

Mr. BLATNIK. All the required reports are in and the Bureau of the Budget has approved it.

Colonel ANDERSON. Yes, sir.

Mr. BLATNIK. At this point there will be inserted in the record a letter from Mr. Hamilton Clothier, supervisor of the town of Hanover, Silver Creek, N.Y.

(The letter follows:)

BOARD OF SUPERVISORS,
Chautauqua County, June 24, 1968.

CHAIRMAN OF COMMITTEE ON PUBLIC WORKS,
House of Representatives,
Washington, D.C.

DEAR SIR: A study of Cattaraugus Creek as a harbor of refuge was recommended by the Corps of Engineers in 1946.

The Town of Hanover, together with the New York State Conservation Department, has taken preliminary steps to construct a public marina on Cattaraugus Creek. Eleven acres of land are now being acquired.

Public sewage system in affected area will be under construction within a year. Estimated cost \$2 million.

The Town of Hanover has received letters from several yacht clubs located on Lake Erie in New York State and Canada, approving the Cattaraugus Creek project as a harbor of refuge.

The town has had complete cooperation from the Buffalo office of the Corps of Engineers in reporting flood conditions and in staff aid during floods.

The Town of Hanover respectfully requests the committee to act favorably on the authorization of this project.

Very truly yours,

HAMILTON H. CLOTHIER,
Supervisor, Town of Hanover.

Mr. BLATNIK. If there are no further questions, we will proceed to the Forestville Harbor, Mich.

FORESTVILLE HARBOR, MICH.

Colonel ANDERSON. Mr. Chairman and members of the committee, this report concerns construction of a recreational boat harbor at Forestville, Mich., on the southwest shore of Lake Huron about 100 miles

north of Detroit. It is in partial response to an item in the 1945 River and Harbor Act.

Forestville is situated in a popular resort area on Lake Huron and there are no harbor facilities within about 14 miles at present. Additional small craft harbors along the lake shore are needed to accommodate the increasing boating demand and a harbor of refuge for small boats is needed in the Forestville vicinity.

The project recommended consists of a breakwater-inclosed harbor of 8-foot depth, with facilities provided for sport fishing from the breakwater. Total first cost is estimated at \$1,076,000, of which \$538,000 would be Federal. The benefit-cost ratio is 1.2. Normal items of local cooperation are required and assurances of such cooperation have been received. All interested Federal and State agencies favor the project and the Bureau of the Budget has no objection to the submission of this report to Congress.

Mr. Chairman, this completes my statement.

Mr. BLATNIK. Mr. Harsha.

Mr. HARSHA. Colonel, could I ask a question here. I notice your cost is divided 50-50 on this.

Colonel ANDERSON. Yes, sir.

Mr. HARSHA. And on the other one it was considerably different.

Colonel ANDERSON. The Cattaraugus Creek has flood control as one of the purposes, sir, and this changed the cost apportionment. This is strictly a recreational harbor.

Mr. BLATNIK. Recreational craft?

Colonel ANDERSON. That is right, 50-50 cost sharing here.

Mr. BLATNIK. Next is Tawas Bay Harbor, Mich.

TAWAS BAY HARBOR, MICH.

Colonel ANDERSON. Sir, this report concerns construction of a small boat harbor at Tawas Bay, Mich., on the western side of Lake Huron about 180 miles north of Detroit, in the interest of recreational navigation. It is responsive to the 1945 River and Harbor Act and a resolution by the House Committee on Rivers and Harbors.

Tawas Bay is used extensively by recreational boaters. There are no existing Federal project on the bay. The State of Michigan has constructed limited harbor facilities at East Tawas State Park but these facilities are now overtaxed and are badly in need of enlargement to accommodate the increasing boating demand. In addition, a harbor of refuge is needed on Tawas Bay to provide shelter for cruising boats caught in sudden storms.

The project recommended consists of enlarging the State harbor by extending an existing breakwater about 1,750 feet. No dredging will be required since adequate depths are already available behind the proposed breakwater extension. Total first cost is estimated at \$931,000, of which \$465,000 would be Federal. The benefit-cost ratio is 3.0. The normal requirements of local cooperation would apply and local interests have indicated their willingness and ability to meet all the requirements. All interested Federal and State agencies favor the project and the Bureau of the Budget has no objection to the submission of this report to Congress.

Mr. Chairman, this completes my statement.

Mr. BLATNIK. Similar type of project, smaller one?

Colonel ANDERSON. Small, identical.

Mr. BLATNIK. I do not think there will be any questions. Next is Wilson Harbor, N.Y.

WILSON HARBOR, N.Y.

Colonel ANDERSON. Sir, this report concerns modification of the existing project at Wilson Harbor, N.Y., on the southwestern shore of Lake Ontario, in the interest of recreational navigation. It is responsive to a resolution by the House Committee on Public Works.

The existing project provides an 8-foot channel extending from the lake into the mouth of Tuscarora Bay at the village of Wilson, with two parallel jetties about 800 feet long. Because of shallow depths in Tuscarora Bay, the harbor has not been able to accommodate the number and type of recreational boats desiring to base or call at Wilson Harbor.

The plan of improvement calls for extending the existing project channel through Tuscarora Bay. The extension will be mainly to a depth of 6 feet and width of 100 feet, although a short reach of 8-foot depth will also be provided. Total cost is estimated at \$401,000, of which \$198,000 would be Federal, and the benefit-cost ratio is 1.8. The usual items of local cooperation for recreational navigation projects are required and local interests have indicated their willingness and ability to meet such requirements. All interested Federal and State agencies favor the project and the Bureau of the Budget has no objection to the submission of the report to Congress.

Mr. Chairman, this completes my statement.

Mr. BLATNIK. No further questions on this project? Next is the Detroit River, Trenton Channel, Mich.

DETROIT RIVER, TRENTON CHANNEL, MICH.

Colonel ANDERSON. Mr. Chairman and members of the committee, this report concerns improvements of Detroit River, Trenton Channel, Mich., in the interest of navigation. It is in response to a resolution by the House Public Works Committee.

Local interests desire extension of the deepwater channel from the end of the present 28-foot depth channel to deep water in Lake Erie in order to provide for fully loaded Great Lakes vessels. The recommended project provides for a channel 28 feet deep and 300 feet wide, a distance of about 20,500 feet, from the existing 28-foot channel to Gibraltar, a turning basin 28 feet deep, about 1,500 feet long and 830 feet wide at Gibraltar, and necessary compensating dikes to maintain Great Lakes water levels at preproject elevations. Spoil materials would also be used to construct dikes for erosion control, containment of future maintenance spoil, and to create wave-sheltered boating, fishing, and waterfowl resting areas. Total estimated cost is \$31,540,000 of which \$31,300,000 would be Federal. The benefit-cost ratio is 1.9. Local interests are willing to provide all required items.

The Bureau of the Budget has no objection to the submission of this report; however, it recommends that local interests pay 50 percent of the annual charges for the project unless and until multiple use occurs. It also recommends local assurances that facilities adequate

to justify the project will be constructed. The Secretary of the Army concurs in the Budget's recommendations.

Mr. Chairman, this concludes my statement.

Mr. BLATNIK. Mr. Dingell, of Michigan, please.

STATEMENT OF HON. JOHN D. DINGELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN

Mr. DINGELL. Mr. Chairman and members of the subcommittee, for the record, my name is John D. Dingell and I am a Member of Congress from the 16th District of Michigan. I want to thank you for the opportunity to briefly explain my support of the Detroit River Trenton Channel project currently pending before you.

The Committee on Public Works of the House of Representatives adopted a resolution on July 29, 1955, authorizing the navigation study which has resulted in the report on this project which is now before you. Since coming to Congress in late 1955, I have carefully followed developments with regard to this project and am pleased that the Corps of Engineers agrees with me that the project is both feasible and economically justified. The fact that the portion of the Detroit River covered by this project falls entirely within Michigan's 16th Congressional District, which I have the honor to represent, impelled me to maintain continuing and intensive scrutiny of all developments leading to the pending proposal.

Completion of this project will mean that a major portion of the long-sought All-American Channel has become a reality. It also will bring vast new economic development to the 16th District, to southeast Michigan, and the Nation generally.

That job-producing industry will move into the areas adjacent to the proposed new channel is certain. And the amount of such industry will be much greater than that for which firm commitments have already been made.

I would like to point up what I consider a very significant fact in this regard. As you proceed down the Detroit River into that portion of the Trenton Channel now possessing a deep draft, you would note the vast industrial complex lining the American shore. However, as you continue farther down the Trenton Channel toward Lake Erie where deep water is not available, you would note the lack of job-producing industry. The change from an economically strong and viable area to one which is devoid of extensive industrial development is most striking and bears out the often proved fact that industry and jobs follow where water transportation is available.

The Detroit River Trenton Channel project also represents a justifiable continuation of the All-American Channel. The improvement of the Trenton Channel to provide an all-American waterway to Lake Erie has been proposed many times between 1890 and the year 1937 when the 75th Congress authorized a 21-foot-deep channel of about 9.5 miles in length. The 86th Congress authorized a further improvement of a major portion of this section to a 28-foot draft which was completed in 1964.

Please consider the fact that the approval of these two projects by the 75th and 86th Congresses has opened up this waterfront to large corporations—such as Wyandotte Chemicals, Firestone, Pennsalt,

McLouth Steel and Detroit Edison which dot the improved waterfront. These industries represent the major anchor of support for the growing communities in the lower reaches of the Detroit River area.

Mr. Chairman, as you and the members of the subcommittee know, I am a conservationist who has devoted much of my time and energy to the preservation of our natural resources and to the control and abatement of air and water pollution. Feeling as I do on these matters, I also carefully scrutinized the pending project to assure myself that it will not have an adverse impact in these areas.

Dredge spoil from the channel deepening and widening will be utilized to dike the shore areas of the Pointe Mouillee State game area. This will serve to prevent further erosion of the marsh area. Additionally, the fill will provide a park area at the mouth of the Huron River.

Also, industries moving into the area will be required to meet stringent regulations relating to air and water pollutants which have been laid down under the terms of the water and air pollution legislation adopted by the Congress in recent years.

Mr. Chairman, I respectfully urge that the Trenton Channel project be approved and included in this year's omnibus public works authorization bill. In urging that this be done, I would like to point out that approval of the project will have only a minimal impact upon Federal outlays during the next 3 fiscal years. I am advised that preconstruction planning will take 3 years and that during this time outlays will amount to a total of some \$700,000—about \$75,000 in fiscal year 1969 and \$300,000 or so in each of the 2 ensuing fiscal years. I am firmly convinced that present Federal budgetary problems will have been substantially eased by the time the project has moved into the construction phase.

Mr. BLATNIK. Thank you, Mr. Dingell. Mr. Harsha.

Mr. HARSHA. Colonel Anderson, what do you mean by "annual cost sharing to be undertaken"?

Colonel ANDERSON. Let me read the Bureau of the Budget's statement, sir.

If it is found that the project would initially benefit only a single user; namely, the McLouth Steel Co., some provision for cost sharing should be required. A reasonable basis of such sharing would be payment by local interest annually until such time as multiple use of the channel actually occurs of 50 percent of the annual charges for interest and amortization of the Federal cost of the project.

That is a quote from the Bureau of the Budget's letter, sir.

Mr. HARSHA. That is in the report on this?

Colonel ANDERSON. It is not in the Chief of Engineers' report. It is in the Bureau's report to the Congress.

Mr. HARSHA. Where can I get a copy of that? Do we have a report like this? Would it be in a report such as this (indicating)?

Colonel ANDERSON. I do not believe that has been printed. The Bureau's comments were dated June 18, and so the Government Printing Office has not had a chance to print up a House document yet. When printed it will be House Document No. 338, 90th Congress, second session.

(Mr. Gray assumed the chair.)

Mr. HARSHA. Who is going to use that?

Colonel ANDERSON. The primary user will be the McLouth Steel Co. until the channel is extended further, which is a reasonable expectation. They intend to build an integrated steel plant there, the shipments for which are expected to be about 10 million tons of ore and limestone a year.

Mr. HARSHA. Is anyone else using it now?

Colonel ANDERSON. At the present the McLouth Steel Co. uses the channel as marked in black as far down as their present plant at Trenton, and the Detroit Edison Co. uses a shallower channel of 21 feet extending farther down for hauling coal to their plant. It is expected that the city of Gibraltar and Wayne County Economic Development Commission will encourage additional industrial development further on down the channel if this project goes in. In fact, the available lands, are already zoned for industrial use.

Mr. HARSHA. I notice this is practically all Federal cost. Is this the usual formula on navigation?

Colonel ANDERSON. Yes, sir; for commercial navigation.

Mr. GRAY. We will pass on then, Colonel, from the Detroit River to the Buffalo Harbor, N.Y.

DRIFT REMOVAL, BUFFALO HARBOR, N.Y.

Colonel ANDERSON. Mr. Chairman, this report considers the advisability of establishing a separate project for the collection, removal, and disposal of drift in the harbors and tributary waters extending from Buffalo Harbor to the downstream limit of the Federal project in Niagara River in response to a resolution of the House Public Works Committee of August 1961. Floating drift is a distinct menace to small boats, especially at night and during fog. The Chief of Engineers recommended the adoption of a project for the collection, removal, and disposal of drift in the areas of the Federal projects for Buffalo Harbor and submitted his report to the Secretary of the Army. His report was returned and is being revised to include costs of incineration. The State of New York and the Federal agencies favored the project as originally proposed by the Chief of Engineers.

The BOB and the Office of the Secretary of the Army are of the opinion that general legislation should be proposed to the Congress for the removal of debris in harbors along with a proposal to include local participation. The Secretary of the Army requested the Chief of Engineers to draft such legislation and the legislation is now with the Bureau of the Budget for review. It is hoped that the proposed legislation will be cleared by the Bureau of the Budget in time for its inclusion in this year's omnibus bill.

Mr. Chairman, this concludes my statement.

Mr. GRAY. So you are proposing that we not act on this project as an individual project, but have an umbrella to cover all such drift removal, is that it?

Colonel ANDERSON. That is the proposal of the Secretary of the Army.

Mr. GRAY. But the Chief did make a specific recommendation on this project to the Secretary, and the Secretary is sitting on it, as to speak, and so the Bureau of the Budget, they have not submitted anything—

Colonel ANDERSON. The report has not been submitted to you. In fact, the Chief of Engineers has the report for revision in his hands now.

Mr. GRAY. Would you be at liberty to tell the committee what the annual cost of this drift removal would be in your original recommendation without—

Colonel ANDERSON. With incineration.

Mr. GRAY. Without modification of incinerator?

Colonel ANDERSON. Yes, sir. I believe the information in the handout you have states the annual charges for maintenance and operation would be \$29,000. By the use of incineration this would be raised to \$40,000. Now the tangible annual benefits are estimated to be \$34,000, either with or without incineration. These consist of damage prevention benefits.

Mr. GRAY. So without the incenerator, it would be a favorable benefit-cost ratio, would it not?

Colonel ANDERSON. Yes. From strictly an economic standpoint. However, we want to emphasize that there are considerable intangible benefits contributing to a project of this nature, even though with incinerator costs added it appears to have an unfavorable benefit-cost ratio. For example, cleaning up the harbor, providing safety for small boats, preventing waterside fires that have been caused by the drift, alleviating air pollution, and enhancing fish and wildlife conditions.

Mr. GRAY. I am a little bit lost here. I cannot understand how the Bureau of the Budget and Secretary feels that general legislation would make this a favorable project, whereas specific legislation would not. You have still got the same cost, whether you incinerate it or whether you do not. I do not follow the logic.

Colonel ANDERSON. The Secretary of the Army felt that there would be repeated proposals of this nature for all of the harbors in the country. At present, there is no firm policy for local participation or cost sharing.

Mr. GRAY. I understand that.

Colonel ANDERSON. General legislation, including cost sharing, is being proposed. The Secretary is not opposing this project on the basis of economics but on the basis of cost sharing.

Mr. GRAY. It would cost exactly the same amount on individual contracts to do this, whether it is covered in broad legislation or whether it is covered in specific legislation; would it not?

Colonel ANDERSON. We would say the total costs are the same, except that the proposed legislation would include cost sharing rather than having the total costs borne by the United States.

Mr. GRAY. I see.

Colonel ANDERSON. And this cost sharing would be approximately as follows: The Federal Government would collect the drift and deliver it by water to a certain point, and the local agency would then take the drift and dispose of it, either by incineration or by burying it.

Mr. GRAY. You do not have that cost-sharing formula that is being in the overall legislation, in the event it does not come that we can consider it on this specific project?

Colonel ANDERSON. I do not have the calculation to show you what that would break into in terms of cost.

Mr. GRAY. But the recommendation for overall legislation, so to speak, does have the cost-sharing formula in it?

Colonel ANDERSON. Yes, sir. It is a matter of the Federal Government paying for the collection and local interest paying for disposal.

Mr. GRAY. There again I do not see how—

Colonel ANDERSON. You have to figure it out, the two costs would have to be figured out. In this project, on an annual cost basis, the Federal share would be about \$29,000 and the local share about \$11,000.

Mr. GRAY. It is still going to boil down to the same thing, that each project is going to have to stand on its own merits as far as benefit-cost ratio is concerned?

Colonel ANDERSON. Yes, sir.

Mr. GRAY. If you are going to assess the local people one part of the project cost and Federal Government with the other, you are still going to have to figure out what those specific costs are as they relate to each specific project. I do not see why they would want to hold these two projects up if they know what the formula is. It looks like they could give it to us now on these projects.

Mr. HARSHA. Has the problem not been that the Army Corps of Engineers has heretofore looked upon drift removal as a local problem rather than a Federal problem?

Colonel ANDERSON. There are some exceptions to this; but in general it has been considered to be a local problem.

Mr. HARSHA. You feel that with overall legislation then that you could accept it as a Federal problem?

Colonel ANDERSON. Yes, sir.

Mr. HARSHA. And then subject to your cost-sharing basis go ahead?

Colonel ANDERSON. There would not be a requirement to come back to the Congress for authorization and funding of each separate drift removal project and it would not be necessary to present a report on the costs and benefits for each project if the general legislation were passed.

Mr. HARSHA. Do you not have authority now under \$100,000 to remove—clear and remove—snag and clear and remove drift—

Colonel ANDERSON. Snag and clear the specific Federal channel that is designated, if it is for navigation, or to snag and clear if it happens to be flood control; yes, sir. But actually we get outside of the navigation channel in some respects in this collection of drift too. The idea is to try to get the stuff before it gets into the channel. The snagging and clearing authority is for a one-time job, not for an annual maintenance program.

Mr. HARSHA. Now let me ask you this: I have been contacted by several sources on the problem with dredging and clearing debris from the Cuyahoga River from up around Kent, Ohio, down to Cuyahoga Falls, Ohio, and this is a similar project in the sense that there is no flood control or apparently no navigation involved. It would remove debris, clean up the trash and pollution and increase low-flow augmentation of it. But apparently the corps has raised the same question, that this is a local project rather than Federal project.

Colonel ANDERSON. The Buffalo District has considered the Upper Cuyahoga River in the vicinity of Cuyahoga Falls to see whether there can be an economically justified project. Our preliminary look indicates that it is not economically justified, and we are looking at it from the standpoint of flood control, recreation, and esthetics. In

1964, the district engineer found that a channel improvement project for flood control was not justified.

Mr. HARSHA. I was going to say, in addition to these alleged benefits that I mention, there is these intangibles that you referred to. Now heretofore the Congress has not given too much weight to intangible benefits, have they?

Colonel ANDERSON. Well, generally speaking, no. It is a difficult thing. By definition, intangible benefits are difficult to quantify.

Mr. HARSHA. Is it going to be the policy of the corps now to recommend to the Congress that intangible benefits be considered?

Colonel ANDERSON. Well, I think I answered that question not too well just a moment ago. Senate Document No. 97 does state that intangibles must be weighed.

Mr. HARSHA. Must be weighed?

Colonel ANDERSON. Yes, sir. And intangibles could override unfavorable economics of a proposed project although such cases would be the exception rather than the rule. Generally, we do not recommend projects that are not justified on a tangible basis.

General NOBLE. The problem is that it is difficult to quantify the intangibles, and when you start dealing with benefit-cost ratio, which is in terms of dollars, it is difficult to crank in the intangibles which are difficult to give dollar values to.

Mr. HARSHA. Even though your position has been generally to insist that it is the local responsibility to remove drift control, we have on several occasions, about four occasions, authorized projects—

Colonel ANDERSON. Yes, sir.

Mr. HARSHA (continuing). To go ahead and do this.

Colonel ANDERSON. Potomac River, New York Harbor, a couple of them.

Mr. HARSHA. May I ask you again this Cuyahoga Falls River study, when do you expect to have that completed?

Colonel ANDERSON. I do not know, sir. It is not an authorized survey. The Buffalo District has been in touch with the local agency that is attempting to do this cleanup. Local interests are supposed to furnish additional information on flood damages and recreation benefits so that the district engineer can reconsider the matter.

Mr. HARSHA. Well, is it impossible to do anything on that until that study is completed?

Colonel ANDERSON. Yes, from our standpoint. Clearing of the Cuyahoga River is not an emergency measure needed for flood control or navigation. We have no authority to go in and dredge and clear the river for waterfront beautification.

Mr. HARSHA. That is all.

Mr. GRAY. One further quick question, Colonel. You did originally—the corps did originally recommend the Buffalo and Cleveland Harbor projects, is that right?

Colonel ANDERSON. Yes, sir.

Mr. GRAY. Let's move on now to Cleveland, Ohio, projects. This is similar.

CLEVELAND HARBOR, OHIO

Colonel ANDERSON. Mr. Chairman, this report considers the advisability of establishing a project for the collection, removal, and

disposal by incineration or burial of drift in the harbor and tributary waters of Cleveland Harbor in response to a resolution adopted by the House Public Works Committee, April 19, 1964. Floating drift is a hazard to commercial and recreational craft and shore structures, and a contributing cause of waterfront fires. The Chief of Engineers recommends the adoption of a project for the collection, removal, and disposal of drift in this harbor area. The estimated annual cost is \$21,000; the annual benefits are estimated at \$35,000, resulting in a benefit-cost ratio of 1.7 to 1.

The State and Federal agencies favor the project.

The BOB and the Office of the Secretary of the Army are of the opinion that general legislation should be proposed to the Congress for the removal of debris in harbors along with a proposal to include local participation. The Secretary of the army requested the Chief of Engineers to draft such legislation and such general legislation is now with the Bureau of the Budget for review. It is hoped that the proposed legislation will be cleared by the Bureau of the Budget in time for its inclusion in this year's omnibus bill. Pending such action, the Secretary of the Army has not cleared the Cleveland Harbor report for transmittal to Congress.

Mr. Chairman, this concludes my statement.

Mr. GRAY. You did originally include this individual project before they decided to go to overall authorization?

Colonel ANDERSON. Pending action on this general legislation, the Secretary of the Army has not cleared the Cleveland Army report for transmittal to the Congress.

Mr. GRAY. But for the same reasons as the Buffalo Harbor?

Colonel ANDERSON. Yes, sir.

Mr. GRAY. The gentleman from Ohio.

Mr. HARSHA. No comment from the Bureau of the Budget?

Colonel ANDERSON. That is the reason there is no comment from the Bureau of the Budget.

Mr. GRAY. Let us move on then, please, to Black River Harbor, Alcona County, Mich.

BLACK RIVER HARBOR, ALCONA COUNTY, MICH.

Colonel ANDERSON. This report concerns the construction of a small-boat harbor at the mouth of the Black River, a small stream entering Lake Huron, about 18 miles south of Alpena, Mich., in the interest of both commercial and recreational navigation. The report is responsive to the 1945 River and Harbor Act.

A small-boat harbor is needed to shelter small cruising craft from storms and to provide a base for local boats. There is no navigation project at the location. The recommend project consists of: A north breakwater; an east breakwater; a 10-foot approach channel; an 8-foot protected access channel; and a 6-foot river channel from the mouth of the river to the first upstream bridge where a 6-foot turning area would be located. The total estimated cost of the project is \$776,800 of which \$491,500 is Federal, including \$7,800 for aids to navigation. The benefit-to-cost ratio is 1.2 to 1 with redevelopment benefits and 1.3 to 1 with such benefits. Local interests have indicated a willingness to meet all requirements of local cooperation.

The report has been submitted to the State of Michigan and the interested Federal agencies. Upon receipt of the comments the report of the Chief of Engineers will be sent to the Bureau of the Budget through the Secretary of the Army prior to its submission to the Congress by the Secretary of the Army.

Mr. Chairman, this concludes my statement.

Mr. GRAY. Are there any questions on the Black River Harbor, Alcona County, Mich.?

Mr. HARSHA. Yes; I have some.

Mr. GRAY. The gentleman from Ohio.

Mr. HARSHA. You are going to put a 6-foot river channel—

Colonel ANDERSON. Yes, sir.

Mr. HARSHA. From the mouth of the river to the first upstream bridge where a 6-foot turning area is recommended.

Colonel ANDERSON. Yes, sir. Six-foot-deep turning area, right at the end of the channel.

Mr. HARSHA. Now what are the redevelopment benefits that you refer to in your benefit-cost ratio?

Colonel ANDERSON. I believe it is title IV of the Economic Development Act, which states that this is a depressed area; and, by construction of this harbor, we provide additional employment, which we evaluate on an annual basis to be equivalent to \$4,000 benefit.

Mr. HARSHA. I see.

Colonel ANDERSON. This raises the benefit-cost ratio from 1.2 to 1.3.

Mr. HARSHA. All right. What makes the difference in this formula for Federal and non-Federal cost sharing? Normally is it not that 50-50?

Colonel ANDERSON. Yes, sir; for strictly recreational boating; but commercial fishing has been established in this area, and the commercial fishing boats would use the harbor. We estimate those benefits would be \$12,500 a year annually. The costs allocated in proportion to the commercial fishing benefits are all Federal, and this changes the 50-50 cost sharing to, in this case, 37 percent local and 63 percent Federal.

Mr. HARSHA. That is all.

Mr. GRAY. Any other questions?

If not, we will move on to Fort Niagara State Park.

FORT NIAGARA, LAKE ONTARIO SHORE, NEW YORK

Colonel ANDERSON. Mr. Chairman, and members of the committee, this report concerns improvement of the south shore of Lake Ontario immediately east of the mouth of the Niagara River within the boundaries of Fort Niagara State Park in the interest of beach erosion control. The report is in response to a resolution by the House Public Works Committee adopted April 14, 1964.

Local interests desire improvements for recreational bathing and erosion protection along the shoreline of Lake Ontario at the Fort Niagara State Park. The recommended project provides for beach fill and the construction of a low offshore 4,000-foot-long breakwater with seven 100-foot gaps to protect the beach fill. The total estimated cost of the project is \$1,888,000 of which \$1,327,000 is Federal, includ-

ing \$18,000 for aids to navigation. The benefit-to-cost ratio is 1.14 to 1. Local interests are willing to provide the items of cooperation.

The report has been submitted to the State of New York and the interested Federal agents. Upon receipt of the comments, the report of the Chief of Engineers will be sent to the Bureau of the Budget through the Secretary of the Army prior to its submission to the Congress by the Secretary of the Army.

Mr. Chairman, this completes my statement.

Mr. GRAY. What do you say the cost-to-benefit ratio will be?

Colonel ANDERSON. 1.14 to 1.

Mr. GRAY. 1.14 to 1?

Colonel ANDERSON. Yes, sir.

Mr. GRAY. Any questions on Fort Niagara?

Mr. HARSHA. Colonel, you again had 1.3 million Federal and half a million local, and this appears to be recreational benefits.

Colonel ANDERSON. Cost apportionment for this type of project comes under the beach erosion control formula.

Mr. HARSHA. That is up 70 percent?

Colonel ANDERSON. Seventy percent, if it is a public park facility, which this is—70 percent Federal.

Mr. HARSHA. And you say the comments from the Bureau of the Budget and State agencies are not in as yet?

Colonel ANDERSON. Yes, sir.

Mr. HARSHA. When can we expect those roughly?

Colonel ANDERSON. On the fifth of September the 90 days are up. We hope we can get the comments sooner than that.

Mr. HARSHA. No other questions.

Mr. GRAY. If there are no questions, we will move on, Colonel, to Hamlin Beach State Park, N.Y.

HAMLIN BEACH STATE PARK, N.Y.

Colonel ANDERSON. This report concerns construction of a small-boat harbor at Hamlin Beach State Park on the south shore of Lake Ontario, about 20 miles northwest of Rochester, N.Y., in the interest of recreational navigation. It is in response to a resolution by the House Public Works Committee adopted September 25, 1945.

A small-boat harbor is needed to accommodate the increase in small-boat traffic. There are no navigation projects at the location. A beach erosion control project, west of the area, has not been started. The recommended project consists of an 8-foot protected entrance channel; a 6-foot dock channel and maneuvering area, a revetment along Lake Ontario, and breakwater recreational fishing facilities. Total estimated cost of the project is \$1,010,000 of which \$510,000 is Federal, including \$10,000 for aids to navigation. The benefit-cost ratio is 2.4. Local interests are willing to provide the items of cooperation.

The report is with the Bureau of the Budget for clearance as to its relationship to the program of the President prior to its submission to Congress by the Secretary of the Army.

Mr. Chairman, this completes my statement.

Mr. GRAY. What did you say the total cost was?

Colonel ANDERSON. \$1,010,000.

Mr. GRAY. B-C ratio?

Colonel ANDERSON. 2.4.

Mr. GRAY. Are there any questions on Hamlin Beach State Park? The gentleman from Ohio.

Mr. HARSHA. I thought you said something about navigation.

Colonel ANDERSON. Recreational navigation, sir.

Mr. HARSHA. OK. When can we get the BOB report? That is the only thing that is holding us up.

Colonel ANDERSON. I assume any day.

Mr. HARSHA. That is the only thing holding us up?

Colonel ANDERSON. Yes.

Mr. GRAY. We will move on to Jack Benny's hometown now, Waukegan Harbor, Ill.

WAUKEGAN HARBOR, ILL.

Colonel ANDERSON. Sir, this report concerns improvement of Waukegan Harbor, Ill., on Lake Michigan, 38 miles north of Chicago, Ill., in the interest of commercial navigation. It is in response to a House Public Works Committee resolution.

The existing Federal project consists of a breakwater, two parallel piers, an entrance channel, a channel between piers, an inner basin, and an anchorage area. Deep draft commerce is estimated at 540,000 tons annually, an increase of 458,000 tons since 1959, and consists of bulk cement and gypsum rock receipts.

The Chief of Engineers in his proposed report recommends deepening the entrance channel to 25 feet, at widths from 380 to 500 feet; deepening the channel between piers to 23 feet at a width of 180 feet; and deepening the inner basin to 23 feet and extending it 275 feet northward. The improvements will permit deeper loading, provide additional needed berthing and mooring space, provide a harbor of refuge and reduce congestion and navigation hazards. Total cost is \$1,951,000 of which \$1,198,000 would be Federal. The benefit-cost ratio is 2.2.

The report has been submitted to the State of Illinois and the interested Federal agencies. Upon receipt of the comments, the report of the Chief of Engineers will be sent the Bureau of the Budget through the Secretary of the Army prior to its submission to Congress by the Secretary of the Army. This concludes my statement, Mr. Chairman.

(Mr. McCarthy assumed the chair.)

Mr. MCCARTHY. Thank you, Colonel. When can we expect a report from the Bureau of the Budget?

Colonel ANDERSON. Sir, 90 days is allowed for the State and Federal agencies to reply and it is up on the 15th of August. Hopefully, we will get the comments sooner than that. We have already received a favorable comment from the State.

Mr. MCCARTHY. Mr. Harsha.

Mr. HARSHA. No questions.

Mr. MCCARTHY. Thank you very much, Colonel.

Mr. McEWEN. Mr. Chairman.

Mr. MCCARTHY. Mr. McEwen.

Mr. McEWEN. I have just one question. I was looking at the Waukegan Harbor area on your chart. It is indicated, existing now, U.S. north pier and U.S. south pier on the entrance channel. Is that a Federal pier on each side?

Colonel ANDERSON. Yes, sir.

Mr. McEWEN. Is that Federal riparian adjoining property, is that federally owned?

Colonel ANDERSON. I do not know.

Mr. McEWEN. Are those berthing piers? What are they used for?

Colonel ANDERSON. Those piers are to protect the channel, sir. They are not berthing piers in the sense that—

Mr. McEWEN. That is to protect the channel?

Colonel ANDERSON. Yes, sir.

Mr. McEWEN. Where is the area where the ships are docked to work cargo?

Colonel ANDERSON. You will note slip No. 1 and slip No. 3 on the northern part, and recreational navigation is in the black area in the south part, which has not been changed, and then alongside the project.

Mr. McEWEN. Thank you.

Mr. McCARTHY. Thank you very much, Colonel.

We will now hear from our distinguished colleague, Robert McClory, of Illinois.

STATEMENT OF HON. ROBERT McCLORY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

Mr. McCLORY. Mr. Chairman and members of the committee, it is my hope that the committee will concur in the recommendation of the U.S. Army Corps of Engineers for improvements at the Waukegan Harbor.

This commercial harbor is located approximately midway between the city of Chicago and the city of Milwaukee on Lake Michigan. Serving an important agricultural and industrial region in the Midwest, it is already serving substantial lake and overseas commercial traffic.

The Corps of Engineers has recommended the improvements in Waukegan Harbor. These improvements complement the opening of the St. Lawrence Seaway for overseas shipping. Meaningful local and State interest has resulted in various of the existing improvements and the establishment of a Waukegan Port District. During the past 10 years the port district has acquired substantial properties and harbor interests, all directed toward increased commercial activity utilizing Lake Michigan and the other Great Lakes, as well as the St. Lawrence Seaway.

The public-spirited citizen-members of the Waukegan Port District, appointed by former Gov. Otto Kerner, of Illinois have exercised a broad public interest in both the existing facilities at Waukegan Harbor and in planning for its future expansion.

The justification for the Waukegan Harbor improvements is emphasized in the statement by the U.S. Army Chief of Engineers and the statement by the Board of Engineers for Rivers and Harbors to the Chief of Engineers, dated April 11, 1968, a copy of which I am attaching for the benefit of the committee.

In addition, I wish to call to the committee's attention the unique location of the Waukegan Harbor. I am advised that the tonnage of materials which passed through the port of Waukegan has been in excess of 500,000 tons a year for the past several years despite the shallow channel and basin which now exist. The harbor deepening and

other improvements will benefit the economy of the Waukegan area and of the Midwest as well as the overall economy of the Nation. In addition, it should promote a substantial increase in foreign trade and encourage greater international understanding.

Mr. Chairman and members of the committee, I earnestly urge that you include in the omnibus rivers and harbors flood control bill authorization for deepening and widening the Waukegan Harbor in Illinois.

Mr. McCARTHY. We have Lt. Col. Lewis A. Pick, Jr., Assistant Director of Civil Works for Pacific Divisions.

Would you proceed.

STATEMENT OF LT. COL. LEWIS A. PICK, JR., ASSISTANT DIRECTOR OF CIVIL WORKS FOR PACIFIC DIVISIONS

Colonel PICK. My first project, sir, is Humboldt Harbor and Bay, Calif.

HUMBOLDT HARBOR AND BAY, CALIF.

Mr. Chairman and members of the committee, Humboldt Bay is located on the northern California coast about 225 nautical miles north of San Francisco.

The existing Federal project provides for two jetties at the bay entrance; a 40-foot-deep bar and entrance channel; 30-foot and 26-foot channels in the north bay and a 26-foot-deep channel with a turning basin in the south bay. Present depths are inadequate for the needs of present and foreseeable waterborne commerce and there is no suitable area for vessels to anchor while awaiting favorable weather and sea conditions for departure from the harbor.

The Chief of Engineers recommends modification of the existing project in the North Bay to provide for widening the channel at two locations, mile 0.75 and mile 2.6; deepening the North Bay Channel to 35 feet from mile 0.75 to mile 5.0 in the Eureka Channel and to the end of the Samoa Channel at mile 5.84; and to provide an anchorage area a 35 feet deep and 1,200 feet square as a suitable location between the entrance and Gunther Island. The most suitable location for the anchorage area would be selected during detailed project design. The estimated total cost is \$3,043,000 of which \$2,430,000 is Federal and \$613,000 is non-Federal. Local interests have indicated willingness to furnish the required local cooperation. The benefit-cost ratio is 1.1.

The comments of the State of California and Federal agencies are favorable. The Bureau of the Budget would expect a reanalysis of the benefits and costs prior to any request for construction funds. Subject to consideration of this comment, the Bureau has no objection to submission of the report to Congress.

Mr. Chairman, this concludes my statement.

Mr. McCARTHY. That reanalysis, that is ordinary procedure, is it?

Colonel PICK. Yes, sir. They are normally reanalyzed. The comments of the Bureau of the Budget were due to the fact that an increment had a very narrow benefit-cost ratio, and they would like it reanalyzed prior to requesting construction funds.

Mr. CLAUSEN. Will the gentleman yield?

Mr. McCARTHY. The gentleman from California.

Mr. CLAUSEN. This particular project is in my congressional district on the north coast of California. Of course, we have been fully cognizant of the points that had been made by Colonel Pick. I will be supporting this project and ask unanimous consent of the committee to offer a supplemental statement in support of the project in the interest of time. And also ask unanimous consent that the record at this point be left open for some supplemental statements that will be forthcoming from the people of the area involved.

Mr. MCCARTHY. Without objection, so ordered.

(The statements referred to follow:)

STATEMENT OF HON. DON H. CLAUSEN, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF CALIFORNIA

Mr. Chairman, I appreciate this opportunity to appear before you in support of navigational improvements for Humboldt Harbor and Bay, Humboldt County, California.

Humboldt Bay, located about 225 nautical miles north of San Francisco, is a land-locked harbor 14 miles in length and varying in width from one-half to 4 miles. The existing Federal project consists of two rubble-mound jetties at the entrance; a Bar and Entrance Channel; five interior channels varying in depth from 18 to 30 feet, and in width from 150 to 400 feet; and a turning basin 26 feet deep, 600 feet wide, and 800 feet long.

The proposed modifications would consist of dredging the North Bay Channel to 35 feet, and widening the bends; dredging Samoa Channel and the Outer Reach of Eureka Channel to 35 feet; and dredging an anchorage basin in the North Bay to 35 feet deep, 1,200 feet wide and 1,200 feet long. Estimated cost to the United States is \$2,170,000 for construction dredging, and \$13,000 for additional annual maintenance.

Principal cities on Humboldt Bay are Eureka, with a population of 28,000, and Arcata, with 5,000. The distinctive natural resource of the area is timber, and waterborne commerce of Humboldt Harbor is composed chiefly of lumber and lumber products shipments from Humboldt, Del Norte, and Trinity Counties, and receipts of petroleum and fish. Exports of lumber and lumber products from Humboldt Harbor in 1965, 1966, 1967, and the first quarter of 1968, were as follows: 1965—273,438 short tons; 1966—291,676 short tons; 1967—466,741 short tons; first quarter 1968—161,857 short tons. Estimated total for 1968 is more than 700,000 short tons. It is anticipated that there will be a continuing increase in tonnage of lumber and lumber products exports out of Humboldt Harbor for at least the next twenty years. The interior channels of Humboldt Bay are inadequate and hazardous for modern, deep-draft vessels of the type that carry lumber as general cargo. Lack of an adequate anchorage area forces ships to anchor in main navigation channels when dockside space is not available, or while awaiting favorable sailing conditions, thus adding to the already hazardous navigating conditions in the channels. Ships seeking shelter from ocean storms frequently add to the congestion in the Bay. Finally, it should be noted that Humboldt Bay is the closest deepwater port to San Francisco and that, in emergencies, the proposed improvements would be of considerable worth over and beyond the benefits to local shipping interests.

EUREKA, CALIF., June 25, 1968.

HON. DON CLAUSEN,
Congressman First District, California,
House Office Building, Washington, D.C.:

Retel inquiry! Short tons lumber and lumber products exported from Humboldt Bay during 1965, 273,438; 1966, 291,676; 1967, 466,741; first quarter 1968, 161,857. We estimate it will be over 700,000 short tons for 1968. We also foresee a gradual increase in the export of lumber and lumber products out of this harbor for the next 20 years.

STATE BOARD OF HARBOR COMMISSIONERS FOR HUMBOLDT BAY,
By LESLIE M. WESTFALL, *Secretary-Surveyor*.

EUREKA, CALIF., June 25, 1968.

Hon. DON CLAUSEN,
Congressman, First District, California,
House Office Building, Washington, D.C.:

The Board of Supervisors of Humboldt County strongly urges that you make every effort possible to assure inclusion of Humboldt Harbor improvements and the Butler Valley project in omnibus bill now under consideration by Congress. The economic impact of both these projects are vital to Humboldt future growth and development. It is hoped that you will vigorously fight any attempt to remove the projects from any omnibus bill adopted.

ELWYN LINDLEY,
Chairman, Humboldt County Board of Supervisors.

HUMBOLDT COUNTY OCEAN RESOURCES,
CO-ORDINATING COUNCIL,
Eureka, Calif., June 24, 1968.

Hon. DON H. CLAUSEN,
Representative in Congress,
House Office Building,
Washington, D.C.

DEAR SIR: Due to the continued increase in tonnage now being shipped through Humboldt Bay and the outlook for even greater activity in the lumber, log and pulp exporting industry, it is imperative that the appropriation for increasing the depth of the shipping channel to a minimum of 35 feet and the provision for an adequate anchorage and turning basin be included in the current Rivers and Harbors Omnibus Bill.

Any further delay in developing Humboldt Bay to its full potential as a major west coast shipping port could very easily retard the progress of the area and create a set-back in the over-all economy of Humboldt County. Therefore, we request that you use your influence to include the full appropriation for Humboldt Bay in the Omnibus Bill.

Very truly yours,

FRED L. PHEBUS, *Chairman.*

CITY OF EUREKA, CALIF., June 24, 1968.

Hon. DON H. CLAUSEN,
Member of Congress, First Congressional District of California, House Office
Building, Washington, D.C.

DEAR DON: This is a follow-up to the phone call this morning regarding the Humboldt Harbor project which you indicated is being heard tomorrow before the Public Works project.

I am enclosing a copy of the resolution which was adopted by the Eureka City Council and was also adopted by every other official group around Humboldt Bay supporting this project. To my knowledge none of those entities joining in the adoption of this resolution supporting the Humboldt Harbor project has changed its stand and support is unanimous.

I very much appreciated your calling City Hall and am happy to be of any help on this project or on any other one.

Very truly yours,

GILBERT S. TROOD, *Mayor.*

Enclosure.

RESOLUTION No. 5419

SUPPORTING FINDINGS AND RECOMMENDATIONS OF U.S. ARMY CORPS OF ENGINEERS
REGARDING PROPOSED NAVIGATION IMPROVEMENTS FOR HUMBOLDT HARBOR AND BAY

Whereas, the office of the District Engineer, U.S. Army Corps of Engineers has reported to the Humboldt County Board of Supervisors that it is completing studies on proposed navigation improvements at Humboldt Harbor and Bay as authorized by Congressional Resolutions dated March 30, 1955, and June 30, 1960, directing review of previous reports on Humboldt Bay, and to determine the advisability of modifying existing navigation channels and to provide anchorage basins in the harbor; and

Whereas, representatives of the Corps of Engineers will meet with the Humboldt County Board of Supervisors and other interested agencies or individuals and the general public in Eureka on the evening of May 15, 1963, for the purpose of reviewing and discussing the findings of said Corps of Engineers concerning proposed navigation improvements for Humboldt Harbor and Bay outlined as follows:

- (1) That present channel depths and dimensions are inadequate.
- (2) That if the existing project for Humboldt Harbor and Bay were modified substantially as follows, the harbor would be improved for navigation:
 - a. Bar and Entrance Channel—Widen the Bar and Entrance Channel to 900 feet, from seaward mile 0.52 to mile 0.75 and deepen the Bar and Entrance Channel to 45 feet.
 - b. North Bay Channel—Widen the North Bay Channel at the first bend near mile 0.75 and the bend at mile 2.60 and deepen the Channel to 35 feet.
 - c. Eureka Channel (Outer Reach)—Deepen the Eureka Channel to 35 feet, from mile 4.29 to mile 5.0.
 - d. Samoa Channel—Deepen the Samoa Channel to 35 feet.
 - e. Fields Landing Channel—Widen the Fields Landing Channel to 400 feet, widen the bends, and deepen the channel to 35 feet.
 - f. Turning Basin—Fields Landing—Enlarge the turning basin to dimensions of 1000 feet x 1000 feet and deepen the turning basin to 35 feet.
 - g. Anchorage Area—Dredge an anchorage on the east side of the North Bay Channel opposite the Coast Guard Station. Area will provide 600 foot swing circle and will be 35 feet deep; and

Whereas, it is the opinion of this Council that the improvements recommended by said Corps of Engineers are necessary and required in order to promote and facilitate the use of Humboldt Harbor and Bay for commerce and industry, Now, therefore, be it

Resolved by the Council of the City of Eureka, as follows:

1. That the said findings and recommendations of the Corps of Engineers be approved, subject, however, to the recommendation that the anchorage area proposed to be located opposite the Coast Guard Station be changed to a location southwesterly of the south end of Gunther Island.

2. That other interested agencies or individuals and the general public be and are hereby urged to attend the said meeting scheduled on the evening of May 15, 1963, and to support the said recommendations of the Corps of Engineers for proposed navigation improvements for Humboldt Harbor and Bay.

Passed and Adopted by the Council of the City of Eureka, County of Humboldt, State of California, on the 13th day of May 1963, by the following vote:

Ayes: Councilmen Wilson, McVicar, Cannam, Bistrin, Vance.

Noes: Councilmen, None.

Absent: Councilmen, None.

RUBY C. SHONAHAN,
City Clerk of the City of Eureka.

Signed and Approved on the 13th day of May 1963.

HENRY TERHEYDEN,
Mayor of the City of Eureka.

THE GREATER EUREKA CHAMBER OF COMMERCE,
Eureka, Calif., June 27, 1968.

Hon. DON H. CLAUSEN,
*U.S. Congressman,
House Office Building,
Washington, D.C.*

DEAR DON: We would very much appreciate your pushing to the fullest extent of your ability the authority for the Humboldt Bay project, Eureka, California.

The year 1967 saw shipping in Humboldt Bay increase eighty per cent over 1966. Tons shipped across Humboldt Bay in 1967 follow:

Product:	Short tons
Lumber and logs	356, 356
Pulp	110, 385
Oil	208, 769
Chemicals	52, 320
Total	727, 830

We predict the year 1968 will see a minimum of fifty per cent increase in tonnage over the year 1967. As an example, the first calendar quarter of 1968 saw 162,000 tons of lumber exported from Humboldt Bay.

A new dock has recently been constructed at the foot of Fourteenth Street. This gives us a total of seven docks for deep water shipping, with a total capacity of ten ships at a time loading in Humboldt Bay. These docks are privately owned and maintained, but are operated as public docks.

The increased shipping in Humboldt Bay has provided a stable employment in that phase of our economy from the standpoint of trucking and stevedoring. The stevedores alone run from fourteen to seventeen gangs. This is a year a round source of employment which is greatly needed.

Each gang is composed of ten to fourteen men. The morale of our stevedores and dock workers is excellent for the simple reason that they are providing year a round employment.

It is our understanding that the U.S. Army Corps of Engineers has passed the following recommendations, and that these recommendations have been received and approved by the Rivers and Harbors Commission and the Chief of the U.S. Army Corps of Engineers, General William C. Cassidy.

1. Deepen the North Bay Channel to 35 feet and widen the bends in the channel at channel miles 0.75 and 2.6.

2. Deepen the Samoa Channel and the outer reach of the Eureka Channel to 35 feet.

3. Provide an anchorage basin in the North Bay, at a suitable location between the jettied entrance channel and Gunther Island, 35 feet deep and 1,200 feet wide and 1,200 feet long.

Your continued assistance in providing maintenance and enlargement of the Port of Humboldt will be greatly appreciated. We are desperately in need of the authority for this project. We are certain that you understand that any assistance given to Humboldt Bay Development will assist greatly in the balance of payment deficit of the United States.

We are enclosing several maps of the Port of Humboldt, on which we have marked the name and location of the aforementioned new dock.

Very cordially yours,

VICTOR C. NOVARINO, *President.*

By: R. F. Denbo, *Manager.*

Mr. McEWEN. Mr. Chairman.

Mr. McCARTHY. The gentleman from New York.

Mr. McEWEN. I would like to ask our colleague from California, if this work would interfere in any way with those wonderful Humboldt Bay oysters?

Mr. CLAUSEN. No, sir. The Humboldt Bay oysters are up in the Arcata Bay area.

Mr. McCARTHY. Colonel, do you want to proceed.

Mr. HARSHA. Before you start on another one, I want to ask you some questions, Colonel. What are the present requirements for commerce in this area?

Colonel PICK. The present requirements for commerce, sir, are timber projects mainly, total annual tonnage of approximately 480,000 tons annually.

Mr. HARSHA. Is that being moved out of the harbor now?

Colonel PICK. Yes, sir.

Mr. HARSHA. And what is the depth and width of the harbor under present conditions.

Colonel PICK. The depth and the width of the harbor that exists, sir, is 40 feet deep at the bar and in entrance channel; 30 feet deep and 26 feet deep in the northern bay and a 26-foot-deep channel with a turning basin in the south bay.

Mr. HARSHA. And you say that the present harbor cannot handle the present traffic?

Colonel PICK. That is right. The present depths are inadequate for the needs of the present and foreseeable traffic.

Mr. HARSHA. In what respect are they inadequate?

Colonel PICK. The size of vessels, sir, which are presently using this harbor and are being used in the lumber trade are of larger size than that which was originally envisioned with this project. Presently there is a need for deepening of the channel in order to accommodate the larger sized vessels which presently call at this port. They are partially loaded in some cases, when they depart.

Mr. HARSHA. What of the future foreseeable needs?

Colonel PICK. We projected the needs into the future like we do on all projects.

Mr. HARSHA. What do you project here?

Colonel PICK. We projected a need for channels to be deepened from 30 to 35 feet and an anchorage area of 35 feet, in place of the 30- and 26-foot channels.

Mr. HARSHA. I have got so many different figures on that sheet. What did this project call for?

Colonel PICK. This project calls for—

Mr. HARSHA. That projection that you just gave me?

Colonel PICK. Right. Widening the channels at two locations, mile 0.75 to mile 2.6, widening the channel at that portion, deepening the north bay to 35 feet from mile 0.75 to mile 5.

Mr. HARSHA. May I interrupt you? What is this sheet which you provided us with here? I do not find any of that information on it that you are reading.

Colonel PICK. You have the deepening of the channel. There is more detail on your sheet than I have read, sir.

Mr. HARSHA. I do not find a 35-foot channel on here. What I have is an existing project providing for two—

Colonel PICK. It is down below, sir, in the middle, and it shows 35 feet.

Mr. HARSHA. All right. Now this is what you project as taking care of the future waterborne commerce on that?

Colonel PICK. The present and future waterborne commerce. There is a need for it at this time.

Mr. CLAUSEN. Would the gentleman yield?

Mr. HARSHA. Yes.

Mr. CLAUSEN. In addition to what the colonel has said, I will be incorporating into my own statement some of the factors relating to the question he has raised in relation to the future plans. I will just say briefly that in that spit just to the north of the opening of the bay you have now two pulpmills that are in place and operating. And, of course, they are somewhat dependent upon shipments that come in both by truck and somewhat by the use of harbor facilities.

Secondly, recently they developed a joint exercise on powers agreement between the areas of Arcata and Eureka, hopefully looking forward to a broader expanse of a facility in and around this harbor.

One of the basic points that we want to make, due to my personal familiarity with the geological conditions of the coast between Portland, Oreg., and San Francisco, is that this particular harbor facility and the one in Oregano are the only draft harbor facilities; so as a result they will be able to be used more and more as time goes on. And, of course, there are shipments that go to the Far East, Inc., and it is contemplated that it will probably continue. Also I might add that they just recently had formed the Humboldt County Ocean Resource Coordinating Counsel which is a part of the overall plan by the State of California to thus further utilize these port facilities in the hope of expanding the exportation of the ocean resources immediately to the west.

And I believe in some way all that can be justified because of the marginal benefit-cost ratio now has been incorporated into this recommendation, and once the facilities yield the type of benefits that we think they will, we will be obviously looking some more in the future.

Mr. HARSHA. That is what I am trying to get at. How can we expect the future and what type of ships will be using this thing? I am glad to see the gentleman admit it is marginal benefit-cost ratio.

Mr. CLAUSEN. Yes, it is.

Mr. HARSHA. You have not told me what kind of ships are using the thing, now. How long in the future do you think this 35-foot channel is going to take care of the problem?

Colonel PICK. Our project, sir, is for a 50-year life. I would have to supply for the record, sir, how far we project the 35-foot channel would be considered adequate.

Mr. HARSHA. Will you do that for us, please?

(The information referred to follows:)

EXISTING COMMERCE

GENERAL

Waterborne commerce through Humboldt Harbor consists principally of lumber shipments and receipts of petroleum products. The tonnage of commerce for ocean-going vessels (exclusive of local traffic, except for fish and shellfish), reported to the Regional Statistical Office, U. S. Army Engineer Division, South Pacific, for the Calendar Years 1953 through 1964, is contained in the following table.

OCEANBORNE COMMERCE—HUMBOLDT BAY

[In short tons]

Year	Lumber products		Total	Other shipments	Total shipments	Petroleum products coastwise receipts	Fish and shell- fish (including products), local	Other receipts	Total receipts	Total commerce
	Exports	Coastwise shipments								
1953.....	18,000	93,000	111,000	-----	111,000	219,000	8,000	6,000	233,000	344,000
1954.....	74,000	122,000	196,000	700	196,000	216,000	8,000	-----	224,000	420,000
1955.....	62,000	137,000	199,000	-----	199,000	252,000	9,000	1,000	262,000	461,000
1956.....	56,000	170,000	226,000	1,600	228,000	221,000	12,000	1,000	234,000	462,000
1957.....	75,000	168,000	243,000	10,000	253,000	253,000	16,000	600	270,000	524,000
1958.....	83,000	164,000	247,000	12,000	259,000	224,000	13,000	-----	238,000	496,000
1959.....	92,000	100,000	192,000	5,000	197,000	218,000	15,000	-----	233,000	430,000
1960.....	126,000	83,000	209,000	4,000	213,000	192,000	18,000	1,000	210,000	423,000
1961.....	128,000	45,000	173,000	1,000	174,000	208,000	14,000	300	222,000	396,000
1962.....	144,000	39,000	183,000	700	184,000	212,000	12,000	-----	224,000	407,000
1963.....	192,000	65,000	257,000	500	258,000	199,000	13,000	-----	199,000	457,000
1964.....	165,000	91,000	256,000	1,000	257,000	213,000	8,000	1,000	223,000	480,000
Total.....	1,215,000	1,277,000	2,492,000	36,500	2,529,000	2,627,000	146,000	11,000	2,772,000	5,300,000
12-year average.....	101,000	106,000	208,000	3,000	211,000	219,000	12,000	1,000	231,000	442,000

EXPORTS OF LUMBER AND OTHER FOREST PRODUCTS

Lumber and other forest products shipments for the years 1953-1964 have averaged 208,000 tons annually, with 49 percent of total shipments being made to foreign ports and the remaining 51 percent destined for coastwise ports. During this period a maximum of 257,000 tons was shipped in 1963 and a low of 111,000 tons was recorded in 1953. The trend of foreign shipments has risen over four times during this period, thus offsetting a concurrent decline in domestic (coastwise) movements. The overall result has been a one-third increase in the trend of waterborne shipments of lumber and other forest products from Humboldt Bay.

The percentage of the annual timber production in the five-county (Humboldt, Del Norte, Siskiyou, Trinity and Mendocino) tributary area that moved by water is shown in the following table for the period 1953 through 1964.

Percent of lumber and other forest product production shipped by water

Year	Percent of production shipped by water
1953	2.2
1954	3.7
1955	3.6
1956	4.2
1957	4.8
1958	4.4
1959	3.4
1960	4.7
1961	3.6
1962	3.5
1963	4.9
1964	4.8
12-year average	4.0

The distribution of exports of lumber and other forest products by area of destination is shown in the following table as a nine-year average for the period 1956-1964.

Distribution of lumber and other forest product shipments, 1956-64

Port of destination	Percent distribution
Foreign	54
Atlantic coast	12
Coastwise (Pacific coast)	22
Hawaii	12
Total	100

FUTURE COMMERCE

EXPORTS OF LUMBER AND OTHER FOREST PRODUCTS ¹

By use of available historical records and U.S. Forest Service projections, the potential annual cut (sustained yield) of timber in the five-county tributary area is estimated to be 3.4 billion board feet, about 7.5 percent greater than the present cutting rate. The present cutting rate reflects ownership policies which are not expected to prevail 20 to 30 years hence. Presently commercial forest stands in the five counties are held by numerous small operators who tend to "mine" their

¹ Excluding wood pulp.

holdings. These small holdings are gradually being consolidated into the ownership of a few large producers who operate on a sustained yield basis. A variable relationship exists between timber production in the five-counties named and the volume of forest products moved through the Humboldt Harbor. The increase in foreign lumber shipments has occurred because of two circumstances: (a) the recent economic expansion of countries bordering the Pacific Basin, and (b) under the prevailing price structure, export sales of forest products yield a higher return than domestic sales. It is anticipated that the rate and extent of economic development in these countries will be even greater in the future than in the recent past. One of the consequences will be stepped-up exports of forest products from Pacific Coastal ports. In consideration of these prospects it is believed that exports of lumber and other forest products will increase steadily to, and level off, at about seven percent of the tributary area production by the year 2000.

WOOD PULP

Another factor that will contribute to increased shipments from Humboldt Bay is the completion in 1965 and the scheduled completion in late 1966 of two wood pulp mills, one at Samoa and one at Fairhaven. These mills are expected to produce 150,000 tons and 180,000 tons per year, respectively. The owners expect that of the total 330,000 tons, about 150,000 tons will be shipped by deep-draft vessels. Indications are that a third mill of comparable size will begin operations in 1980 bringing the total annual pulp production in Humboldt Harbor to about 500,000 tons.

BARGE SHIPMENTS OF LUMBER AND OTHER FOREST PRODUCTS¹

Current and future trends in the movement of lumber and other forest products by barge are discussed in detail in Appendix A. From a study of past records and current trends it is estimated that in the future, barge shipments of lumber and other forest products will increase from an average of 9.0 percent of total shipments during the period 1959-1962 to 15 percent by 1980 and level off at that point. The remainder of the shipments would be moved by deep-draft vessels.

RECEIPTS OF PETROLEUM PRODUCTS

Information furnished by shippers of petroleum products indicates that future tankers and barges likely to call at Humboldt Bay would probably not increase in size or draft to the extent that present channel dimensions and depths would be inadequate. The benefits likely to accrue to this traffic due to the proposed improvements would be limited to those associated with the proposed anchorage area.

FISH LANDINGS

Seed oysters from Japan are also brought in for planting in Humboldt Bay. The proposed improvements will not affect the oyster industry since the oyster beds lie outside the area of these improvements.

Although receipts of fresh seafoods average about 12,000 tons annually and approximately 450 fishing vessels are registered here, the proposed improvements will have no effect on the fishing industry other than further enhancement of the bay as a harbor of refuge.

VESSEL TRAFFIC

PRESENT TRIPS AND DRAFTS

Vessel traffic for the years 1955 through 1964 in Humboldt Bay is shown in the following table by inbound and outbound drafts.

¹ Excluding wood pulp.

DRY-CARGO VESSEL TRAFFIC IN HUMBOLDT BAY

[Number of trips]

Draft (feet)	1955		1956		1957		1958		1959		1960		1961		1962		1963		1964	
	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out
30.....	4	11	1	12	3	6	2	7	2	3	9	4	4	3	1	7	3	1	1	2
29.....	1	6	1	9	10	1	7	9	3	6	0	11	3	8	1	8	2	3	5	5
28.....	1	6	2	4	1	1	7	9	3	9	2	8	3	8	1	8	7	7	1	3
27.....	2	4	2	5	7	7	5	9	3	9	9	9	3	9	6	10	6	7	4	6
26.....	2	4	2	3	7	6	7	8	11	17	9	11	8	8	6	10	9	14	3	12
25.....	2	4	3	5	7	7	7	7	9	12	11	13	8	11	9	16	8	14	9	9
24.....	4	9	4	5	10	10	8	19	9	12	15	14	10	12	12	14	11	19	3	12
23.....	6	9	4	4	14	10	13	17	3	12	10	16	10	10	11	13	12	17	9	9
22.....	8	4	7	7	21	6	12	12	7	5	10	12	12	16	12	11	17	17	14	7
21.....	3	6	5	5	6	7	17	13	12	8	9	4	12	8	14	15	15	13	7	9
20.....	8	11	8	10	17	16	18	18	18	12	6	4	8	10	14	10	11	12	10	8
19.....	4	4	9	10	16	8	9	15	30	5	30	16	41	23	41	18	41	8	31	14
18 and under.....	32	10	62	6	57	17	48	15	11	11	109	109	122	125	127	125	133	134	97	96
Total.....	78	79	112	113	125	124	127	129	111	111	109	109	122	125	127	125	133	134	97	96

FUTURE VESSEL TRIPS

Indications are that vessels of the C1 and C2 class are being, and will continue to be, replaced by vessels of the C3 and C4 Mariner Class. Based on discussions with carriers, this will result in the vessel cubage factor increasing 20 percent by 1990 and leveling off at that figure thereafter. The average vessel lift is estimated to increase in direct proportion to the forecast of future vessel capacity. The resulting number of vessel trips at Humboldt Harbor by decade, 1970-2020, is given in the following table:

Future deep-draft dry-cargo vessel trips in Humboldt Harbor 1970-2020¹

Year:	Number of vessel trips
1970.....	255
1980.....	280
1990.....	300
2000.....	325
2010.....	335
2020.....	340

¹ Excluding trips carrying woodpulp.

FUTURE VESSEL TRIPS BY ACTUAL DRAFTS

The combined effect of two factors, the anticipated increase in the density of goods imported by presently underdeveloped nations, and greater design drafts of future vessel fleets, is estimated to result in an average 4-foot increase in the inbound and outbound drafts at Humboldt Harbor by the year 2020. The vessel trip distribution by actual drafts over the 50-year study period was developed by plotting the current inbound and outbound drafts against vessel trips (expressed as a cumulative percentage), then displacing the curve four feet to represent conditions in the year 2020. Data for intervening decades were interpolated. The resulting projections of trips by vessel draft are given in the following table.

DISTRIBUTION OF DRY-CARGO VESSEL TRIPS BY VESSEL DRAFT IN HUMBOLDT HARBOR, 1970-2020
[Number of trips, inbound and outbound]

	1970	1980	1990	2000	2010	2020
Actual vessel draft (feet):						
20 or less.....	112	99	80	58	38	10
21.....	26	28	30	33	33	34
22.....	26	28	30	33	33	34
23.....	26	28	30	33	33	34
24.....	22	28	30	33	33	34
25.....	18	22	30	33	33	34
26.....	12	17	24	33	33	34
27.....	8	11	15	19	27	31
28.....	3	6	9	16	20	27
29.....	1	4	6	9	14	17
30.....	1	4	6	9	14	17
31.....	0	3	5	6	11	14
32 and more ¹	0	2	5	10	13	20
Total.....	255	280	300	325	335	340

¹ Will take place with improved conditions only.

FUTURE BARGE AND TANKER TRIPS

Existing channel depths are sufficient to accommodate lumber barges which have drafts of 18 feet or less. Inbound drafts of the 5,000-13,000 DWT (Dead Weight Tonnage) tankers now calling at Humboldt Harbor range from 18 feet to a maximum of 27 feet. Since it is unlikely that the inbound drafts of future tankers will exceed 27 feet in the foreseeable future, benefits to tank-ship operators due to channel deepening will be insignificant.

FUTURE VESSEL TRIPS CARRYING WOOD PULP

Based on information furnished by the pulp mill owners, the estimated distribution by draft of vessel trips carrying wood pulp from Humboldt Harbor for the period 1970 to 2020 is given in the following table.

ESTIMATED DISTRIBUTION BY DRAFT OF VESSEL TRIPS CARRYING WOOD PULP FROM HUMBOLDT HARBOR, 1970-2020 (INBOUND AND OUTBOUND)

Vessel draft (feet)	1970	1980	1990	2000	2010	2020
20 or less.....	15	23	24	25	26	28
28.....	5	8	8	8	8	9
29.....	5	8	8	8	9	9
30.....	3	4	5	5	5	6
31.....	2	3	3	4	4	4
Total.....	30	46	48	50	52	56

Mr. CLAUSEN. I might add if the gentleman will yield, the depth of the channel will pretty well determine the size of the ships that will be able to use that facility. Quite frankly, the state of the art suggests that if we had the ability to increase the benefits under this established benefit-cost ratio, the chances are we would actually increase the depth hopefully to accommodate a larger ship. But under the circumstances, all things being equal, this appears to be all we can accomplish for the moment as I see it.

General NOBLE. Sir, in predictions for the future, it is going to be influenced by what happens after this project is built. All we can consider are what we know exists today and what we are reasonably assured is going to exist when we get this project in. Beyond that, we do not prejudge the possibilities. These possibilities of course are infinite and in a few years after this project is built, assurances can be received on additional industry moving in and causing more traffic, and that could cause a project to become obsolete very rapidly. If growth occurs as predicted, this project will be adequate for the full project life of 50 years or longer.

Mr. HARSHA. How do you arrive at future predictions, like future requirements?

General NOBLE. We recommend investment of Federal funds only on predictions with a substantive basis, and don't attempt to satisfy all the various infinite possibilities which are more speculative in nature in calculating the benefit-cost ratio.

Mr. CLAUSEN. There is one thing that I would like to mention, because I would believe that the gentleman from Ohio is familiar with what I am going to say; and that was during the 1964 flood all the projects in and out of the area, including the railroad, as he recalls, were actually destroyed so as to completely isolate the area from the standpoint of railroad and truck transportation. This meant that this harbor facility and the airport itself were the only means of moving anything in the way of commerce and/or people out of the area.

It takes on increasing importance, not only for the immediate area, but the entire north coast of California.

Mr. HARSHA. You mentioned, Colonel, that an increment has a very narrow benefit-cost ratio. What did you mean by that?

Colonel PICK. Sir, the northern channel portion of this project has a very narrow benefit-cost ratio incrementally. It has 1.01 to 1 benefit-cost ratio. This was caused by the fact that the Gunther Island disposal area is a bird refuge, wildlife refuge area, and we are unable to use this area for dredge spoil disposal. We therefore had to enlarge the northern spit disposal area, the use of which greatly increased the

cost of this segment. This resulted in the very marginal benefit-cost ratio. Therefore, the Bureau of the Budget stated that the corps should reanalyze this segment at the time of construction.

Mr. HARSHA. How about the remaining portion of the project?

Colonel PICK. It has benefit-cost ratio of about 1.2.

Mr. HARSHA. 1.2?

Colonel PICK. Yes, sir.

Mr. HARSHA. Are they equally divided in cost?

Colonel PICK. No, sir.

Mr. HARSHA. What is the difference?

Colonel PICK. I would have to supply that for the record, sir. I do not have that broken down. We have the channel and anchorage area put together, and I do not have that broken down.

(The information referred to follows:)

ESTIMATED COST (PRICE LEVEL OF JULY 1965)

	North Bay Channel	Anchorage area	Total
Federal.....	\$1,730,000	\$700,000	\$2,430,000
Non-Federal.....	576,000	37,000	613,000
Total.....	2,306,000	737,000	3,043,000

Mr. HARSHA. That is all I have.

Mr. MCCARTHY. I wonder if we could suspend the testimony briefly. We have with us the distinguished chairman of the Committee on Science and Astronautics, the Honorable George Miller, of California.

Mr. Chairman, would you like to come to the table?

SAN LEANDRO MARINA, CALIF.

**STATEMENT OF HON. GEORGE MILLER, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. MILLER. Dear Mr. Chairman, you have before you the interim report of the Small Craft Harbor Improvement (maintenance) for the city of San Leandro Marina, Alameda County. I wish to focus your attention on a few brief factors I feel are important.

The San Leandro boat harbor is part of an 1,800-acre shoreline recreation complex. It consists of approximately $4\frac{1}{2}$ miles of waterfront property under city ownership and contains a 308-berth marina (expandable to 475 berths), a family activity area under construction, a small boat lagoon, an operating 9-hole golf course, and an 18-hole regulation golf course under construction. Plans are now underway with the California Department of Fish and Game for a wildlife refuge. Hiking and bike trails, picnic facilities, and other recreation areas are currently being planned with local groups. The boat harbor forms the nucleus of this regional recreation complex and provides a setting for thousands of visitors per week from throughout the bay area. The acquisition of this $4\frac{1}{2}$ -mile publicly owned shoreline has doubled the public access to San Francisco Bay.

From the standpoint of location in the bay area, this small craft harbor is strategically located about midway on the eastern shore of San Francisco Bay and in the center of newly developing boating

interests. It is the only harbor on this side of the bay south of Alameda and the Oakland estuary all the way to the San Jose area. The shoreline complex will be immediately adjacent to the approach to the planned south bay crossing from Bay Farm Island. Increased traffic generated by the new bay bridge will make increased demands on the harbor. This, coupled with inevitable expansion of the Oakland International Airport, immediately adjacent to the northwest, will create a vast transportation-recreation oriented regional complex. In the center of this complex the San Leandro boat harbor serves as the only port of refuge and rescue south of the Coast Guard station in Alameda.

The city of San Leandro has been actively engaged in shoreline development since the mid 1950's. Thoughtful planning on a sound economic basis has led to the present program. The harbor facility itself has been funded through local moneys for land acquisition, in addition to State of California loans amounting to \$1,235,000. Federal matching funds through Housing and Urban Development Agency have helped finance land acquisition and development of some adjacent recreation areas. Private capital has and will continue to be used for restaurant and other commercial development.

I urge your favorable review of this application on the basis that the San Leandro boat harbor is the major significant harbor development in this area of San Francisco Bay. It services an expanding need as the only emergency boating port of refuge on the eastern shore of south San Francisco Bay. Patrol and rescue services to pleasure boaters occur on the average frequency of two per week. San Leandro Marina patrol services have measurably assisted the port of Oakland SFO Hovercraft experimental transbay runs, providing emergency services on many occasions. An emergency and disaster plan is incorporated in the harbor operations procedures. The landing approach to Oakland International Airport crosses the San Leandro Harbor Channel. In the event of an air disaster, the most immediate service assistance would come from the well-equipped San Leandro Marina patrol.

Mr. CLAUSEN. May I ask, will you have supporting statements from any of the supporters in your area for this project?

Mr. MILLER. Yes; I am satisfied that we will.

Mr. CLAUSEN. I would ask unanimous consent that Congressman Miller be permitted to add supporting statements from people in the area concerning the project. I will also note that the benefit-cost ratio on this project is very, very good, 3.7 to 1.

Mr. MILLER. It will increase I am certain as we go on.

Thank you very much, sir.

Mr. HARSHA. May I make one suggestion, Mr. Chairman, and that is that I see the Bureau of the Budget has not commented on this project. You might use your considerable influence to expedite that.

Mr. MILLER. This is one of the things I am trying to do. I can assure you that my influence is not that considerable.

Mr. MCCARTHY. Thank you, Mr. Chairman. Colonel Pick.

Colonel PICK. Mr. Chairman, San Leandro Marina is located in Alameda County, Calif., on the east shore of San Francisco Bay, immediately south of the Metropolitan Oakland International Airport.

There is no existing Federal navigation project at this locality. The marina, constructed by local interests in 1962-63, provides a small-boat harbor consisting of entrance channel, protective breakwater and mole, interior access channels with maneuvering areas and an exterior auxiliary access channel connecting from the harbor entrance to a launching ramp area near the northern end of the existing mole.

Local interests desire that the marina be adopted as a Federal project for maintenance of the channels.

The division engineer recommends Federal maintenance of the San Leandro Marina channels at an estimated annual cost of \$62,000, subject to certain items of local cooperation. The benefit-cost ratio is estimated to be 3.7. Local interests have indicated willingness to comply with the requirements of local cooperation.

The report is now with the Board of Engineers for Rivers and Harbors for review and recommendation. After action by the Board, the proposed report of the Chief of Engineers will be submitted to the State of California and the interested Federal agencies. Upon receipt of the comments, the report of the Chief of Engineers will be sent to the Bureau of the Budget through the Secretary of the Army prior to its submission to Congress by the Secretary of the Army.

This concludes my statement, Mr. Chairman.

Mr. McCARTHY. The gentleman from California.

Mr. CLAUSEN. You say this project is still with the Board of Review?

Colonel PICK. Board of Engineers for Rivers and Harbors, sir—Board of Review, that is correct.

Mr. CLAUSEN. When would you estimate that the final comments from all of the State and Federal agencies would be available to the committee?

Colonel PICK. I would be unable to say at this time, sir. The report has not been passed by the Board, nor has it been reviewed by the Chief of Engineers, and it has not even been sent to States and agencies.

Mr. CLAUSEN. It has not been sent to the States or Federal agencies?

Colonel PICK. No, sir.

Mr. McCARTHY. Colonel Pick, proceed with Port Hueneme Harbor, Calif.

PORT HUENEME HARBOR, CALIF.

Colonel PICK. Port Hueneme is located on the coast of Ventura County, Calif., about 65 miles northwest of Los Angeles Harbor.

The existing project, a U.S. Navy facility, was originally constructed by the Oxnard Harbor District and acquired by the Navy in 1942. In 1961, the Oxnard Harbor District acquired from the U.S. Navy, the original constructed wharf and associated backup land. The port is a manmade, landlocked harbor, connected to the ocean by a jetty-protected entrance channel, with interior channels and central basin.

At the present time, depths in the interior channel and central basin are not sufficient to accommodate modern cargo vessels at all tides.

The Chief of Engineers, in his proposed report, recommends the deepening of the central basin: widening, extending, and deepening of the interior channel serving the commercial wharf, all to a depth of

35 feet. In addition, the general navigation features of the existing harbor: Entrance jetties, entrance and interior commercial channels and central basin, would be adopted as a Federal project for maintenance.

The Federal cost of construction would be \$1 million. Non-Federal costs are estimated to be \$210,000 for rights-of-way for the extension of the navigation channel. Annual maintenance would be \$40,000. Estimated annual benefits and charges are \$1,868,000 and \$90,000, respectively, and the benefit-cost ratio would be 20.8.

The report has been submitted to the State of California and the interested Federal agencies. Upon receipt of the comments, the report of the Chief of Engineers will be sent to the Bureau of the Budget through the Secretary of the Army prior to its submission to Congress by the Secretary of the Army.

Mr. Chairman, this concludes my statement.

Mr. McCARTHY. Mr. Harsha.

Mr. HARSHA. When is the 90 days up?

Colonel PICK. August 29.

Mr. McCARTHY. Do you want to proceed, Colonel, with San Diego Harbor.

SAN DIEGO HARBOR, CALIF.

Colonel PICK. Mr. Chairman and members of the committee, San Diego Harbor, located on the coast of southern California, is immediately north of the Mexican border and about 96 miles southeast of Los Angeles Harbor.

The existing Federal project consists of an entrance jetty and channel, interior channels, anchorage areas, turning basin and a diversion dike to divert flows of the San Diego River from the harbor into nearby Mission Bay. Existing channel depths and widths are not sufficient for modern cargo vessels and U.S. Navy vessels using the harbor under full load at all conditions of tide.

The Chief of Engineers in his proposed report recommends modification of the existing project by deepening and extending project channels to provide 42-foot depth in the entrance, 40-foot depth to the bulk terminals and 35 feet to general cargo terminals; the deletion of incomplected authorized work on the South Bay seaplane basin and incomplected triangular approaches adjacent to Harbor Island from the project, and extension of authorized maintenance to include channels or additional depths dredged by the U.S. Navy or local interests.

The Federal cost of construction would be \$5,360,000, exclusive of \$40,000 for aids to navigation and \$1,500,000 for relocation of U.S. Navy utilities. Non-Federal costs are estimated to be \$2,800,000, including \$230,000 cash contribution. Additional maintenance would be \$20,000. Estimated annual benefits and charges would be \$1,360,000 and \$419,000, respectively, and the benefit-cost ratio would be 3.2.

The report has been submitted to the State of California and the interested Federal agencies. Upon receipt of the comments, the report of the Chief of Engineers will be sent to the Bureau of the Budget through the Secretary of the Army prior to its submission to the Congress by the Secretary of the Army.

This concludes my statement, Mr. Chairman.

Mr. McCARTHY. Thank you. Any questions?
The gentleman from California.

Mr. CLAUSEN. No questions.

Mr. McCARTHY. OK Colonel. If you want to go ahead to Ventura Marina, Calif.

VENTURA MARINA, CALIF.

Colonel PICK. Mr. Chairman and members of the committee, Ventura Marina is a manmade small-boat harbor located on the California coast at the city of San Buenaventura about 65 miles northwest of Los Angeles.

There is no existing Federal project. Local interests have constructed a harbor consisting essentially of a jetty-protected entrance channel, middle jetty, turning basin and berthing areas.

Shoaling of the entrance channel has hindered the full development of the port and in addition, causes severe breaking waves in the entrance channel which are extremely hazardous.

The Chief of Engineers in his proposed report recommends (1) that the project be adopted as a Federal project for maintenance of the existing jetties and entrance channel, (2) a 1,500-foot long detached breakwater be constructed, (3) minor repairs to north jetty, (4) recreational facilities on the three existing jetties, and (5) the dredging of 800,000 cubic yards to form a sand trap in the lee of the breakwater.

The Federal cost of construction would be \$1,540,000 exclusive of \$4,000 for aids to navigation. Non-Federal cost is a cash contribution equivalent to 50 percent of the first cost of construction, exclusive of aids to navigation, presently estimated to be \$1,540,000. Federal operation and maintenance costs are estimated at \$191,000. Non-Federal maintenance of project related recreation features is estimated to be \$2,000. Estimated annual benefits and charges would be \$1,341,000 and \$319,000, respectively, and the benefit-cost ratio would be 4.2.

The report has been submitted to the State of California and the interested Federal agencies. Upon receipt of the comments, the report of the Chief of Engineers will be sent to the Bureau of the Budget through the Secretary of the Army.

This concludes my statement, Mr. Chairman.

Mr. McEWEN. Mr. Chairman.

Mr. McCARTHY. Mr. McEwen.

Mr. McEWEN. Colonel, as I understand, this is entirely for recreational boating; is that correct?

Colonel PICK. Yes, sir. The major portion—98 percent of the project—benefits are for recreation.

Mr. McEWEN. The rest for jetty fishing?

Colonel PICK. For fish and wildlife, sir.

We have with us another colleague from the State of California, the Honorable Harold T. (Bizz) Johnson.

STATEMENT OF HON. HAROLD T. (BIZZ) JOHNSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. JOHNSON. Mr. Chairman, as the California Representative who is extremely pleased and privileged to serve on this fine committee,

I do want to express my deep appreciation for the consideration which the committee has given to my native State of California over the years.

As the result of the wisdom and farsightedness of yourself and other members on the committee, we have made tremendous progress in the field of harbor developments.

Today I would like to mention to you a few noncontroversial projects which have the support of the Corps of Engineers, the State of California, local government, and all others concerned. I would, therefore, on the part of the people of the Golden State and myself, urge favorable consideration by this committee of these projects. I would like to enumerate them very briefly as follows:

(1) *Humboldt Harbor and Bay*.—A project to deepen the North Bay Channel to 35 feet with widening at the bends at channel miles 0.75 and 2.6; to deepen the Samoa Channel to 35 feet; to deepen the outer reach of the Eureka Channel to 35 feet; and to dredge a 1,200-foot square anchorage area in the North Bay to a depth of 35 feet. Federal cost: \$2,430,000.

(2) *San Leandro Marina*.—A project to provide Federal maintenance of access channels at an estimated annual cost of \$62,000.

(3) *San Diego Harbor*.—A project to modify the existing project by deepening and extending project channels to provide 42-foot depth in the entrance, 40-foot depth to bulk terminals and 35-foot depth to general cargo terminals. Federal cost: \$5,360,000.

(4) *Ventura Marina*.—A project to provide for construction of an offshore breakwater. Federal cost: \$1,540,000.

(5) *Port Hueneme Harbor*.—A project to deepen the central basin, to widen, extend, and deepen the interior commercial channel, all to a depth of 35 feet. Federal cost: \$1 million.

In conclusion, Mr. Chairman, may I say that these are basic authorizations.

Thank you, gentlemen, for the opportunity to appear in behalf of these California projects.

Mr. McCARTHY. Thank you, Mr. Johnson. Next is Snohomish River, Everett Harbor, Wash.

SNOHOMISH RIVER, EVERETT HARBOR, WASH.

Colonel PICK. Mr. Chairman and members of the committee, Everett Harbor is located in western Washington, about 30 miles north of Seattle, where the Snohomish River discharges into Puget Sound. Primary commodities contributing to the commerce of the harbor and river are logs, lumber, wood pulp, and paper products. Other important commodities are petroleum products and nonmetallic mineral products.

There is an existing Federal project which provides for a training dike to channel river flows through the harbor, spur dikes, settling basins for controlling sediment depositions, and connecting channels from deep water in Port Gardner Bay to the head of upstream Steamboat Slough.

During periods of high tides and strong onshore winds, storm generated waves pass over the deteriorated training dike causing turbu-

lence which disrupts navigation, menaces log raft storage areas in the harbor and damages moored vessels.

The Chief of Engineers recommends that the existing project for Snohomish River-Everett Harbor, Wash., be modified to provide for raising the southerly 4,100 feet of the existing training dike, extending the training dike 1,500 feet further south, and constructing a breakwater along the south and west sides of the existing small boat basin; all at an estimated total cost of \$1,440,000, of which \$1,108,000 are Federal construction costs. Non-Federal first costs are estimated at \$332,000, of which \$1,000 is for lands, easements, and rights-of-way and \$331,000 is a cash contribution toward the cost of construction. The annual charges are estimated at \$78,800 and the average annual benefits are estimated at \$380,800, with a benefit-cost ratio of 4.8. Local interests have indicated willingness to provide the required local co-operation.

Comments of the State and interested Federal agencies are favorable. The report is with the Secretary of the Army for transmittal to the Bureau of the Budget for clearance as to its relationship to the program of the President prior to its submission to Congress by the Secretary of the Army.

This concludes my statement, Mr. Chairman.

Mr. McCARTHY. Mr. Harsha.

Mr. HARSHA. What is a training dike?

Colonel PICK. A training dike, sir, is a structure designed to protect the channel from wave and current action which occurs in the Puget Sound. In this case it diverts the wave action and the currents from the harbor area.

Mr. HARSHA. And the Bureau of the Budget report would be—

Colonel PICK. It is being submitted to BOB at this time.

Mr. HARSHA. Do you have any suggestion as to when we might expect that report?

Colonel PICK. It went to the Secretary of the Army on the 18th of June, sir, and I have no idea when the Bureau of the Budget will report it out.

Mr. HARSHA. We will now hear from our Colleague, Congressman Lloyd Meeds, on the project.

STATEMENT OF HON. LLOYD MEEDS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

Mr. MEEDS. Mr. Chairman, I want to thank the committee for this opportunity to testify on behalf of the Snohomish River (Everett Harbor) project recommended by the U.S. Army Corps of Engineers. I strongly support this project and would briefly like to tell the committee why.

This project would extend the present training dike 1,500 feet farther south and raise the total height of the entire dike to 17 feet above mean lower low water. It would also construct a breakwater along the west and south side of an existing small-boat basin.

The total cost of the project is \$1,439,000 with the Federal share being \$1,110,000.

The present training dike is simply inadequate for the present and rapidly increasing demand in the Everett, Wash., harbor. It

should be pointed out, for example, that Snohomish County is the fastest growing in the entire United States. The Census Bureau expects the population of this area to double by 1985. The A. D. Little Co., after studying the growth pattern of the area, estimated that 70,000 more people can be expected in the county by 1970, due just to the establishment of the new Boeing 747 manufacturing plant there.

That is a population equivalent to more than the county's present largest city.

With this vast growth, pressure is on the Port of Everett and Everett Harbor for increased capacity. The present training dike is inadequate. During storm periods in Puget Sound, waves nearly 2 feet high can travel up the navigation channel which is supposed to be protected by this dike. Further, there is too little moorage space in protected waters. Fishing vessels must anchor four abreast, creating an undue hazard and escalating the chances of damage during storms.

Cut logs awaiting processing in the area's mills are sorted behind the breakwater, but, due to a lack of space and because of high waves during storm periods, the sorting activity and the necessary tugboat maneuvering is severely limited. This prevents the lumber mills from operating at full capacity.

This proposed dike improvement has received the approval of every level of government and every governmental agency that has reviewed it including the State of Washington and the Bureau of the Budget.

I respectfully urge you to approve this vital project.

Thank you.

Mr. McCARTHY. Thank you, Mr. Meeds. Colonel, please go on to the Kake Harbor project.

KAKE HARBOR, ALASKA

Colonel PICK. Mr. Chairman, the city of Kake is located in southeastern Alaska approximately 40 miles west of Petersburg. Commercial fishing and fish processing provide the sole industry for the community of 500 people. Kake's central location to excellent fishing areas and its close proximity to scheduled water cargo routes insures the future growth of the fishing industry.

Kake Harbor is exposed to frequent storms from the southeast, west, and northwest. These storms damage and destroy boats by forcing them ashore or onto the rock outcroppings. The exposed and hazardous harbor conditions constitute a serious menace to the economic security of the community.

The Chief of Engineers recommends construction of a 1,580-foot-long breakwater on the west of the harbor and a 900-foot-long breakwater on the south to protect a mooring area having adequate existing depths. The Federal cost is \$1,760,000 and the non-Federal cost is \$6,000 for lands, easements, and rights-of-way. The annual charges are \$74,600 and the annual benefits are \$135,400 with a benefit-cost ratio of 1.8. Local interests have indicated willingness to provide the required local cooperation.

The comments of the State of Alaska and Federal agencies are favorable. The Bureau of the Budget has no objection to submission of the report to Congress.

Since the Federal cost for this project is less than \$10 million, the views set forth by the Secretary of the Army in his letter of January 6,

1967, submitting to you a draft bill to amend section 201 of the Flood Control Act of 1965 would apply.

Mr. Chairman, this completes my statement.

Mr. McCARTHY. The gentleman from Ohio.

Mr. HARSHA. Colonel, is that normal for Federal costs to be practically 100 percent of the project, 99 percent when the benefits are commercial fishing?

Colonel PICK. Yes, sir. The structures here are all Federal structures.

Mr. McCARTHY. The gentleman from California.

Mr. CLAUSEN. Mr. Chairman, Congressman Pollock from Alaska is now in session in his own Committee on Interior and Insular Affairs and he has spoken to me about the Kake Harbor project and the King Cove Harbor and the Sergius and Whitestone Narrows, Alaska, projects and he has asked me to get permission from the Chair to insert his statement and any supplemental statements at this point in the record. I ask unanimous consent that this be granted.

Mr. McCARTHY. Without objection, sir, it is so ordered.

(The statement referred to follows:)

STATEMENT OF HOWARD W. POLLOCK, CONGRESSMAN FOR ALASKA

Mr. Chairman and members of the subcommittee, I appreciate the opportunity to testify in strong support of the authorization for *The Kake Harbor, King Cove and Sergius and Whitestone Narrows navigation project in Alaska*.

Alaska is basically a frontier area in the early, yet rapidly expanding stages of economic development. While Alaska has the largest geographic area of any State in the Union, its population is the smallest. Most population centers in Alaska are frequently isolated from each other, and the lower 48 States by factors of adverse terrain and climate and great distances. Although the great State of Alaska has many diverse features, there is one factor which is common to all regions—we are almost totally dependent upon water transportation for movement of both people and commodities.

The proposed navigation projects will greatly enhance our vital water transportation and further assist our economic growth. Briefly the projects would benefit Alaska as follows:

KAKE HARBOR, ALASKA

The town of Kake is in southeastern Alaska, 39 miles west of Petersburg and about 850 miles northwest of Seattle.

In 1940 a CCC project to construct a breakwater was started, but never completed. Today the State of Alaska maintains a 600-foot wharf on top of the partially completed CCC breakwater. This wharf-breakwater structure is not adequate to protect the commercial fishing fleet which uses Kake Harbor. The proposed project would provide the needed protection by construction of a 1,580-foot west breakwater and a 900-foot south breakwater. Total estimated Federal cost is \$1,760,000. The benefit-to-cost ratio is 1.8 to 1 and would provide estimated annual benefits of \$135,400 for the commercial fishing industry using Kake Harbor.

KING COVE HARBOR, ALASKA

King Cove is located on the south coast of the Alaska Peninsula, about 650 miles southwesterly from anchorage and 400 miles southwesterly from Kodiak. Commercial fishing boats operating out of King Cove are unprotected from the severe storms which are characteristic of this area. Accordingly, the proposed project provides for construction of a 15-foot-deep anchorage basin of about 11 acres in area, an entrance channel 125 feet wide and 15 feet deep, on earth dike and a rock fill groin. Total estimated Federal cost of this project is \$522,000. The benefit-to-cost ratio is 4.5 to 1 and would provide an estimated \$143,750 in annual benefits to the commercial fishing fleet using King Cove Harbor.

SERGIUS AND WHITESTONE NARROWS, ALASKA

Sergius and Whitestone Narrows are situated in the network of channels which comprise the passageway for shipping between Seattle and other points in Alaska. Sergius Narrows is located about 27 miles northeast of Sitka; whereas, Whitestone Narrows is about 15 miles north of Sitka.

Both Sergius Narrows and Whitestone Narrows form narrow, rocky constrictions in the shipping lanes. Both are so arranged that it is necessary for vessels to execute precise and abrupt changes in course in areas having swift tidal currents.

The proposed project would involve widening the existing 24-foot-deep channel through Whitestone Narrows from 200 feet to 300 feet, and construction of a 24-foot-deep and 450-foot-wide channel through Sergius Narrows. Total estimated Federal cost of this project is \$3,030,000. The benefit-to-cost ratio is 3.3 to 1 and would provide an estimated benefit of \$411,000 annually.

Both the Kake Harbor and King Cove projects have been cleared by the Bureau of the Budget. The Sergius and Whitestone Narrows project is awaiting clearance from the Bureau of the Budget. All concerned State and Federal agencies have made favorable recommendations for authorizations of these three Alaskan navigation projects.

Mr. Chairman, I urge that these Alaskan navigation projects be favorably recommended for inclusion in the 1968 omnibus river and harbor and flood control bill.

Mr. McCARTHY. Do you want to move on to King Cove Harbor, Alaska?

KING COVE HARBOR, ALASKA

Colonel PICK. Mr. Chairman and members of the committee, King Cove is located near the southwesterly tip of the Alaska Peninsula. The nearest ports of importance are Dutch Harbor, about 175 miles to the southwest, and Kodiak, about 450 miles to the northeast.

The 1964 population of King Cove was approximately 500. The village exists primarily because of the fishing resources of the area. Harvesting and processing of salmon and king crab provide the major source of income. The village also serves as a trading and supply center for transient fishing craft and other smaller communities in the area.

The Aleutian chain is one of the most prominent storm producing areas in the world and the King Cove area is frequently subjected to high winds and heavy wave action. The fishing boats operating in the King Cove area lack adequate sheltered anchorage, consequently during bad weather they are battered against the docks and each other resulting in considerable loss. There is no existing Federal project in the area.

The Chief of Engineers recommends construction of a protected 15-foot-deep anchorage basin of approximately 11 acres with an entrance channel 15 feet deep and 125 feet wide at an estimated Federal cost of \$522,000. Local interests have indicated willingness to provide the required local cooperation. The benefit-cost ratio is 4.5.

The comments of the State of Alaska and Federal agencies are favorable. The Bureau of the Budget has no objection to submission of the report to Congress.

Since the Federal cost for this project is less than \$10 million, the views set forth by the Secretary of the Army in his letter of January 6, 1967, submitting to you a draft bill to amend section 201 of the Flood Control Act of 1965, would apply.

Mr. Chairman, this completes my statement.

Mr. McCARTHY. Do you want to move ahead, Colonel?

Mr. CLAUSEN. I might state for the record, Mr. Chairman, that when the Flood Control Subcommittee went to Fairbanks, Alaska, to view the flood damage, it was also provided with an opportunity to visit some of these projects in that area. I can testify to the need in their behalf.

Mr. McCARTHY. Please proceed, Colonel Pick.

SERGIVS AND WHITESTONE NARROWS, ALASKA

Colonel PICK. Mr. Chairman and members of the committee, Sergiv and Whitestone Narrows are located in southeastern Alaska and are in the network of channels which comprise the inside passage from the Pacific Northwest to and within southeastern Alaska.

Whitestone Narrows lies about 15 miles north of Sitka at the south entrance to Neva Strait. The Sergiv Narrows passage lies 4 miles into Peril Strait above its junction with Neva Strait and is about 27 miles northeast of Sitka. Navigation through these passages is difficult and hazardous caused by the narrow rocky channels and strong tidal currents. Numerous accidents have occurred and considerable time is lost by ships negotiating these waters.

The Chief of Engineers recommends modification of the existing 24-foot-deep channel at Whitestone Narrows by increasing the channel width from 200 to 300 feet, and the construction of a channel 24 feet deep and 450 feet wide at Sergiv Narrows. The work would consist essentially of removing rock reefs at both locations. The cost of improvement is \$3,030,000. No costs for lands or relocations are involved. The annual charges are \$123,600 and the annual benefits are \$411,000 with a benefit-cost ratio of 3.3. Local interests are required to hold and save the United States free for damages due to the construction and maintenance of the improvements.

Comments of the State of Alaska and the interested Federal agencies are favorable. The report is with the Secretary of the Army for transmittal to the Bureau of the Budget for clearance as to its relationship to the program of the President prior to its submission to Congress by the Secretary of the Army.

This concludes my statement, Mr. Chairman.

Mr. McCARTHY. The gentleman from Ohio.

Mr. HARSHA. What do you mean lower operating costs, of what, Colonel, in this report under benefits?

Colonel PICK. Lower operating costs, would be those cost savings which would accrue to the State-owned ferries which use these narrows. This area of Alaska does not have any roads. The roads are actually the water passages. The State has a ferry system which runs through this area, which provides public transportation in the area. And the operation costs of this ferry system would be materially reduced by this project.

Mr. HARSHA. Is this the normal Federal responsibility?

Colonel PICK. This type of project; yes, sir.

Mr. HARSHA. Have we ever done this before?

Colonel PICK. Yes, sir; I am sure we have done this before.

Mr. HARSHA. Where?

Colonel PICK. This involves also commercial and fishing boats and any type of recreational craft, tourist craft.

Mr. HARSHA. Yes; but you do not have that on your benefits. All you have got under the sheet I have, "Annual benefits, lower operating costs"—I did not know what that was for until I asked you; and then damage prevention.

Colonel PICK. Right, sir. Well, lower operating costs would also be lower fishing fleet operating costs. It would be lower operating costs for all boat users. My first statement was improper since I did not realize what you were referring to at that time. It does lower the operating costs of the State ferry, but that is only a small portion.

Mr. HARSHA. Can you give us some analysis or breakdown?

Colonel PICK. Yes, sir. We will be glad to provide that for the record.

(The information referred to follows:)

PROJECT BENEFITS

TANGIBLE BENEFITS

a. Delay-Time Reduction

(1) The proximity of rock outcrops to the narrow passages of both Sergius and Whitestone Narrows, when combined with strong tidal currents, create a hazardous condition for deep-draft vessels. Transits by these vessels must be made at slack tide intervals. There being approximately six hours between slack tides each, the average vessel is delayed three hours for each transit of the Narrows. In some instances arrivals at the Narrows are timed to coincide with slack water; however, the delay actually occurs in the form of intentional delay from the port of departure or reduced cruising speed while enroute to the Narrows.

(2) Vessels departing from Sitka generally take their delay at the dock and costs consist principally of crew wages and indirect costs. Vessels on their way to Sitka are under operating conditions and their delay costs accrue at the rate of the total operating costs of the vessel. Not all delays experienced by Alaska Steamship vessels would be eliminated. It estimated that their delay time will be reduced by 80% and that all delays by the other users will be eliminated by the proposed improvement. The elimination of almost all delay costs by the proposed channel improvements would reflect a benefit to the general public by permitting a reduction in transportation costs.

(3) The amount and value of delay time experienced in 1965 were approximated from information provided by three of the major users of the channel. This information and estimates for miscellaneous vessel transits of the Narrows, are shown in the following tabulation.

ANNUAL COST OF VESSEL DELAY TIME—ARRIVALS AND DEPARTURES AT SITKA HARBOR, 1965

	Division of Marine Transportation	Alaska Steamship Co.	Washington Tug & Barge Co.	Other vessels	Total
Number of arrivals.....	123	51			
Hours of delay, at 3 hours each.....	369	153	10	200	384
At-sea hourly cost.....	\$184	\$104	30	600	1,152
Delay cost, subtotal.....	\$67,900	\$15,900	\$40	\$20	
			\$1,200	\$12,000	\$97,000
Number of departures.....	123	47	10	200	380
Hours of delay, at 3 hours each.....	369	141	30	600	1,140
In-port hourly cost.....	\$93	\$76	\$20	\$10	
Standby cost, subtotal.....	\$34,300	\$10,700	\$600	\$6,000	\$51,600
Total delay cost.....	\$102,200	\$26,600	\$1,800	\$18,000	\$148,600
Benefits.....	102,200	21,300	1,800	18,000	143,300

b. Damage Loss Reduction

In past years a number of groundings have occurred in both Sergius and Whitestone Narrows. The narrowness of these two channels combined with strong currents create an extremely hazardous condition, especially for large

vessels. The proposed widening of both channels will greatly reduce the risk of navigational accidents. The reduction in risk would be reflected in reduced operating costs and would benefit the general public through reduced freight costs. Damages as reported by navigation interests that constitute the principal users of the waterway during the past 5 to 10 year period were as follows:

NAVIGATION DAMAGE EXPERIENCED IN SERGIUS AND WHITESTONE NARROWS

	Division of Marine Transporta- tion	Alaska Steamship Co.	Salvor Towing Co.	Washington Tug & Barge Co.	Miscel- laneous navigation companies	Total
Number of years in period.....	5	10	7	7	10	-----
Number of accidents in Sergius and Whitestone.....	1	2	1	1	4	15
Damage repair cost.....	\$39,520	\$300,000	\$40,000	\$47,500	\$40,000	\$467,020
Towing cost to repair point in Seattle..	12,847	-----	15,000	15,000	40,000	82,847
Other incidental costs.....	-----	-----	-----	10,000	-----	10,000
Total cost of accident.....	52,367	300,000	55,000	72,500	80,000	559,867
Average yearly cost.....	10,500	30,000	7,900	10,400	8,000	66,800

As shown on this tabulation navigation damages averaged approximately \$66,800 annually. The proposed improvements will reduce accidents in Sergius and Whitestone Narrows by an estimated 75% or \$50,000 annually.

c. Extra Cost Unloading Reductions

The proposed improvements to Sergius and Whitestone Narrows will permit transit at any stage of the tide rather than being limited to slack tide periods. Ships can, therefore, be scheduled to arrive at port during regular working hours, thereby eliminating the extra charges levied for after-hours longshoring and other required services. The Alaska Steamship Company has estimated that after-hour arrivals at Sitka require on an average 1 hour of overtime service of the longshoremen for each ship arrival, a total additional charge of \$74 per hour. The State ferries have estimated their annual costs of late arrivals at \$15.82 per arrival. The average vessel arriving after-hours and requiring less longshoring service than the Alaksa Steamship cargo vessels, is estimated to average \$10 per arrival for extra after-hour charges. These are summarized in the following tabulation:

OPERATING AND UNLOADING COST REDUCTIONS, OVERTIME AND STANDBY CHARGES, 1965

Item	Division of Marine Transporta- tion	Alaska Steamship Co.	Other vessels	Total
Number of arrivals.....	123	51	210	384
Average overtime and standby charge per arrival.....	\$15.82	\$74.00	\$10	-----
Total extra charges.....	\$1,946.00	\$3,744.00	\$2,100	\$7,790
Benefits.....	\$1,946.00	\$3,019.00	\$2,100	\$7,065
Rounded.....	-----	-----	-----	\$7,100

As shown in the foregoing tabulation a total reduction in operating cost of approximately \$7,800 could be realized annually. It is estimated that extra costs incurred by Alaska Steamship would be reduced by 80%. An annual benefit of \$7,100 would be attributable to the proposed improvement.

d. Channel Marker Damage & Maintenance Reduction

The Sampson Tug and Barge Company, as a result of their log towing operations during 1963 and 1964, has paid out over \$6,000 for damage and loss to buoys marking the channels in these two Narrows. The buoy most frequently damaged is a lighted buoy marking West Francis Rock. The proposed improvement will remove the hazards and permit the removal of this buoy together with two buoys marking rocks in Whitestone Narrows. Reduced damage to buoys will create a general benefit in the amount of approximately \$2,500 annually.

e. Annual Maintenance to Channel Markers

The U.S. Coast Guard maintains and services the navigation aides in these waterways. The proposed channel improvements will eliminate the need for 2 lighted and 1 unlighted buoys, thereby reducing Federal obligations and costs for this service by an estimated \$1,100 annually. Total benefits resulting from channel marker damage and maintenance reductions are estimated to be \$3,600 annually.

f. Log Towing Cost Reductions

(1) The proposed improvements would permit increased efficiency in log towing operations by increasing the average size of the individual tows and reducing the costs.

(2) In 1964 the principal log towing company for the pulp mill at Silver Bay near Sitka towed 110,000,000 board feet of logs through the 40 mile Narrows section in 140 tows limited to 2 rafts each at a total cost of \$275,000. Costs averaged \$0.0625 per thousand board feet per mile.

(3) With the Narrows improved as proposed this company estimates that this quantity could be moved in 70 tows of 4 rafts each at a rate of \$0.0398 per thousand board feet per mile; a total cost of \$175,000 or a saving of \$100,000 annually. Annual benefits are computed as follows:

(a) Existing conditions: 1964 towing cost of \$0.0625 per m.b.f./mile $\times$ 110,000 m.b.f. $\times$ 40 miles = \$275,000.

(b) Improved conditions: Towing cost of \$0.0398 per m.b.f./mile $\times$ 110,000 m.b.f. $\times$ 40 miles = \$175,000.

(c) Reduction in log towing cost: \$275,000 - \$175,000 = benefit of \$100,000 annually.

g. Growth

(1) As discussed previously the principal industries of the tributary area are anticipated to continue their present rapid rate of growth into the early future followed by a declining rate of increase in the more distant future. Over the 50 year period of analysis an average annual rate of growth of 1.5% is used to conservatively express the increase in industrial activity anticipated in the tributary area. Such a growth would result in approximately doubling the annual vessel traffic through Sergius and Whitestone Narrows.

(2) The average annual equivalent of future benefits growing at an annual rate of 1.5% is computed by using a predetermined composite capital recovery factor of 0.357 as shown below. This factor expresses the average annual equivalent growth with capital recovery based upon interest at $3\frac{1}{4}\%$ compounded annually.

Col. (1) multiplied by col. (2) equals col. (3)

	Annual benefit	Composite growth factor	Annual growth value
	(1)	(2)	(3)
Vessel delay time.....	\$143,300	0.357	\$51,158
Damage loss.....	50,000	.357	17,850
Extra unloading costs.....	7,100	.357	2,535
Log towing costs.....	100,000	.357	35,700
Total.....	300,400	.357	107,243
Total annual benefits from future growth.....			107,000

¹ Rounded.

h. Summary of Tangible Benefits

Annual benefits for cost reductions and future growth are as follows:

	Cost reduction	Growth	Total
Vessel delay time.....	\$143,300	\$51,000	\$194,300
Damage loss.....	50,000	17,800	67,800
Extra unloading costs.....	7,100	2,500	9,600
Damage to channel markers.....	3,600	0	3,600
Log towing costs.....	100,000	35,700	135,700
Total.....	304,000	107,000	411,000

6. INTANGIBLE BENEFITS

Reduction of risk to life and property.—The proposed improvements to the channel will help reduce a serious hazard to life and property. In 1965 the State ferries made 246 transits through Sergius and Whitestone Narrows carrying a total of 12,500 passengers and 2,300 vehicles. Future plans are being made to triple the number of transits. Any improvement that will reduce the present hazards will contribute to the welfare of the general public.

Mr. HARSHA. And the damage prevention, is that to be the same vessels that use this harbor?

Colonel PICK. This is a passage, sir.

Mr. HARSHA. Passage, I mean.

Colonel PICK. And the damage eliminated is that which is caused by ships hitting rocks and reefs, which are prevalent in this area.

Mr. HARSHA. Is there some indication or some information you can provide for the record as to what the damages are now as the condition exists?

Colonel PICK. Yes, sir. The annual damage benefit prevented is \$71,000 a year.

Mr. HARSHA. I know that is what you claim are the benefits. Do you have some information to provide the committee to show how much damage is incurred under present conditions?

Colonel PICK. Yes, sir. We will be glad to provide it.

Mr. McEWEN. Mr. Chairman.

Mr. McCARTHY. Mr. McEWEN.

Mr. McEWEN. I have been looking at the chart over here and trying to analyze this. These are two different projects?

Colonel PICK. Yes, sir.

Mr. McEWEN. The one on the left, Neva Strait, that is strictly a channel improvement, is that right, a widening of the channel?

Colonel PICK. That is correct.

Mr. McEWEN. There would be no, as far as operating costs, there would be no shorter route as a result of this, merely improved channel?

Colonel PICK. Yes, sir. This area is very hazardous with treacherous currents. At times ships have to wait to go through this area until such time as water and current conditions are suitable for traffic.

Mr. CLAUSEN. If the gentleman would yield, in addition to what he said, of course, there are a lot of rock reefs in the area that contribute to the other problems.

Mr. HARSHA. Is that the only access to that area, I mean to the point—

Colonel PICK. Yes, sir. This is the major route between Sitka and Juneau, sir.

Mr. McEWEN. This chart that says Neva Strait, that refers to Whitestone Narrows project?

Colonel PICK. Yes, sir.

Mr. McEWEN. The slash black lines across the channel, that indicates the existing channel, is that correct?

Colonel PICK. Yes, sir. The green shows where we are going to enlarge it.

Mr. McEWEN. The green is where you are proposing to widen and deepen?

Colonel PICK. Yes, sir. We are just widening and deepening it, sir.

General NOBLE. You are going to deepen it within the reefs.

Mr. McEWEN. It would have to be deepened. I am curious, Colonel, how do you estimate the benefit-cost ratio on this? It is not a shorter route, it is a safer channel, is that correct?

Colonel PICK. That is correct, sir. We have annual tonnage through this area, approximately 150,000 tons, which cargo is about 750 tons, tourist trade is about 400 tons and fishing boats are about 1,800 tons a year. You analyze the ships that go through, the time that is saved, and this saving is the basis for the benefit claimed.

Mr. McEWEN. Your benefit is based on the time saved?

Colonel PICK. Yes, sir. Plus reduction in operating costs and in damages which do not occur.

General NOBLE. It is the same as shortening it because the time of transit is shortened by virtue of the fact that you have eliminated the hazards.

Mr. McEWEN. In other words, from the standpoint of no delays, due to storm under the present conditions, a ship could not enter the channel?

General NOBLE. Yes.

Mr. McEWEN. It is not any shorter channel. It is a safer channel which will avoid delays and avoid damages to ships?

General NOBLE. That is right.

Mr. CLAUSEN. If the gentleman would yield, also the dodging of some of this reef is a factor from the standpoint of basic navigation. Secondly, the traffic problems would be greatly resolved and the traffic potential enhanced; because as they go through, more ships would have less delay, if you know what I mean.

Mr. McEWEN. I would be interested, Colonel, if you could submit something on how you analyze the benefit-cost ratio. I am just curious as to how this is analyzed. For my own enlightenment, I would appreciate anything you can submit as to how you make the study.

I notice the other channel is marked on the chart Peril Strait, so apparently it has been recognized by whoever placed that name upon this particular passage that it is perilous.

Mr. CLAUSEN. If the gentleman would yield further, I do not want to belabor the point, but there is one thing I got the impression when I visited the Alaskan area, and I think we in Congress and this committee should take into account that of the entire land mass in Alaska, I do not know exactly what the percentage is, but it is well over 90 percent of the entire land mass, is in public domain ownership. And so the limited population, the limited tax base that they have, frankly places those areas in a very difficult position to try to provide the necessary facilities to the State and/or local units of government. And, of course, I believe that there is unlimited resources up there. And I am convinced from what I have seen that any other expenditure in this regard is going to provide some opportunity for a number of people that may want to get out of some of these hot urban areas.

Mr. McEWEN. I have no further questions, Mr. Chairman.

Mr. McCARTHY. Colonel, do you want to move ahead to Hawaii.

COASTS OF HAWAIIAN ISLANDS—HARBORS OF REFUGE, HAWAII

Colonel PICK. Mr. Chairman, boating and fishing are year-around activities in Hawaii and with the expanding economy and growing

population, the needs for additional and improved harbor facilities is becoming urgent. Local interests desire (1) improvements for light-draft vessel navigation to accommodate the growing recreational fleet; (2) provision of improved facilities for the commercial fishing fleet; and (3) a system of harbors of refuge to meet the boating needs for interisland cruising with respect to sudden storms and other emergency problems.

The Chief of Engineers recommends improvement of existing State-operated light-draft-vessel harbors at Kikiaola, on the island of Kauai; Ala Wai, on the island of Oahu; and Maalaea, on the island of Maui, at a total Federal cost of \$1,256,000 and a total non-Federal cost of \$1,041,000. The annual charges are \$107,200 and annual benefits are \$393,600 with a benefit-cost ratio of 3.7. Local interests have indicated willingness to provide the required local cooperation.

Improvement to these three harbors together with the light-draft-vessel harbors previously authorized, and other existing private and State facilities, would satisfy about 90 percent of the State boat space requirements for the year 1980, about 80 percent of the need for the year 2020, and afford an integrated system of harbors for light-draft vessels plying the Hawaiian waters.

The comments of the State of Hawaii and Federal agencies are favorable.

The report is with the Bureau of the Budget for clearance as to its relationship to the program of the President prior to its submission to Congress by the Secretary of the Army.

This concludes my statement, Mr. Chairman.

Mr. McCARTHY. I understand from counsel that it was cleared this morning. Any questions on my left?

Mr. HARSHA. What is the difference, Colonel? I did not follow you on this, unfortunately, close enough—I have got two construction costs. On the second page I have got a total of \$2,267,000. What is that for?

Colonel PICK. Those are total costs, sir.

Mr. HARSHA. That is for general navigation facilities. Is that different from what you are talking about?

Colonel PICK. Which figure were you referring to, sir?

Mr. HARSHA. Well, I have got two sets of figures. I have got the Kauai, Oahu, and Maui for a total of \$1,256,000 Federal cost.

Colonel PICK. Right, sir. That is total costs, Federal costs.

Mr. HARSHA. What type of project is that?

Colonel PICK. Those are small-boat harbors or improvements.

Mr. HARSHA. On page 2, I have for the same thing, \$2,267,000. Counsel says it is a difference in the land costs.

Colonel PICK. Yes, sir. This excludes non-Federal costs for land, and so forth, and rights-of-way and relocations. With these costs including the total costs shown on page 1 of \$2,297,000 is the total project cost.

Mr. HARSHA. I see.

Mr. McCARTHY. Thank you very much, Colonel.

General NOBLE. Mr. Chairman, we have one more thing to report on. That is the bill to authorize a study of the Nation's shores.

Mr. McCARTHY. Please proceed.

H.R. 16392—3 YEAR APPRAISAL OF TIDAL AND GREAT LAKES SHORELINE

General NOBLE. H.R. 16392 would authorize the Chief of Engineers, under the direction of the Secretary of the Army, to make a study of the shores of the United States, Puerto Rico, the Virgin Islands, and the Great Lakes. This study would yield an appraisal of the problem confronting the Nation in preserving its valuable shore resources, and would indicate the nature and scope of the program needed to deal more effectively with that problem.

This bill is similar to S. 1262 upon which the Department of the Army submitted a favorable report to the Senate, and which the Director of Civil Works supported in testifying before the Senate Public Works Committee. We continue to favor the enactment of such legislation.

The importance of preserving the Nation's shores has increased at a much more rapid rate than the growth of its population. In large part this is due to the unprecedented increase in the time and funds which the average American family can invest in outdoor recreation. But there is also a great and increasing pressure upon these lands as sites for industrial and residential development. Thousands of acres of this extremely valuable land are eroded each year and hurricanes and tidal waves periodically cause property damages running into the millions. For all these reasons it would be wise for the Nation to take stock of its shore resources and to evaluate the forces which threaten their destruction. The enactment of H.R. 16392 would greatly facilitate the attainment of these objectives.

The study would include a review of existing protective works and going programs and provide for coordination with State and Federal agencies. In addition to making available basic data of great value, the study would result in general recommendations for remedial actions and provide preliminary estimates of costs. Such information would be utilized by State and local, as well as to the Federal, agencies.

H.R. 16392 would require submission of a final report not later than 3 years after the date of its enactment, and would limit the cost of the study and report to \$1 million.

Mr. McCARTHY. Do you have any idea what this might get us into? I can visualize something very big.

General NOBLE. I think it will define the problem, sir. It will help define the problem for the Congress. The degree to which the Nation would involve itself would be subject to future determination by the Congress of the United States. This is primarily a data gathering study for the purpose of defining the problem, gathering the additional data necessary for the Federal, State, and local agencies to appraise what is happening to our shores, and coming up with preliminary proposals on what might be done about it.

Mr. McCARTHY. The gentleman from Wisconsin.

Mr. SCHADEBERG. Mr. Chairman, are there any other agencies doing the same thing or is this—

General NOBLE. The Corps of Engineers is, sir, in various locations. What this will permit us to do is to take an overall look at the gap areas, as well as the areas we are now studying to look at the problem in its overall sense. There are other agencies involved along our coasts.

As you know, the coastal area is one where there are many users, many interests, and all of these agencies would be beneficiaries of this study.

Mr. SCHADEBERG. I'm interested, of course, in the fact that we do not have so many duplicates that we just keep on—this agency and that agency doing the same thing, whether there is any degree of coordination so that we do not duplicate.

General NOBLE. There is, sir. There is extensive agency coordination in the coastal zone; a recent example, is the committee on multiple uses of coastal zone.

Mr. SCHADEBERG. Would this also take care of inland waters?

General NOBLE. Of the Great Lakes; yes, sir.

Mr. MCCARTHY. The corps has the prime responsibility for beach protection?

General NOBLE. Yes, sir. This is in the area of corps responsibility.

Mr. MCCARTHY. The gentleman from Ohio.

Mr. HARSHA. General, as I understand it, under existing law the corps has the right to make these investigations or surveys, but that depends on either the committee of either body passing an appropriate resolution.

General NOBLE. That is right.

Mr. HARSHA. You are limited to that particular area defined in the resolution?

General NOBLE. That is right.

Mr. HARSHA. This would obviate a resolution for the necessity of every study?

General NOBLE. It would obviate for the necessity of a series of resolutions.

Mr. HARSHA. I am concerned how you can do all of this for a million dollars though. Is that a realistic figure?

General NOBLE. Yes, sir. I think it is for what we are doing here.

It is an overlook at the total problem, gathering some additional data in order to fill in some of these gap areas. I do not really believe within the scope of this legislation that we would want to get into a very expensive study. I think that would be the next step, and you would want to look at it again before we got involved in that.

Mr. CLAUSEN. That is a very gratifying statement to hear. I believe the gentleman from Ohio certainly has recognized the key point.

I can only relate again part of the experiences that you have on the Pacific coast, as result of the Alaskan earthquake, creating the Menominee waves. Many of these coastal communities that are asking for underwriting of programs, be it SBA, FHA, and otherwise, they have had a certain amount of restrictions on their finance capabilities because of a lack of information in the Menominee wave category of interests. And I know that I went to the Menominee wave study project and I feel strongly there is a need to incorporate all of this information so we have a general understanding of what problem we have with erosion, tidal waves, and that sort of thing.

I believe the Corps of Engineers is the logical place to handle the study. I strongly support the recommendation. I am most impressed with your statement.

Mr. MCCARTHY. Well, if there are no other comments or observations, I want to thank you very much, General, and the other officers. I introduce now my colleague, the Honorable Mrs. Edith Green, Congresswoman from Oregon.

**STATEMENT OF HON. EDITH GREEN, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF OREGON**

Mrs. GREEN. Mr. Chairman, I wish to thank the members of the committee for providing me with the opportunity to testify in favor of H.R. 16392, a bill which I introduced, which would authorize the Army Corps of Engineers to initiate a 3-year appraisal report of our national tidal and great Lakes shoreline.

Mr. Chairman, the length of our national and Great Lake shoreline is in excess of 93,000 miles * * * one-half the distance to the moon * * * almost four times the circumference of this planet. Thirty of our States, including my own State of Oregon, have tidal or Great Lakes shorelines, most of which are threatened by a day-by-day erosion process which is destroying thousands of acres of land and costing the American people tens of millions of dollars annually. Nonetheless, despite the damage and the expense resulting from this insidious process, so little is actually known about it that we cannot even make a precise estimate of the total cost of annual damage, nor take effective action to control it.

Losses result not only in the decrease of dollars and land acreage, but also reduce the potential of this Nation in agriculture, industry, and recreation. These losses, of course, diminish both the State and local tax base, destroy thousands of acres of forest and farmland, and increasingly make our beaches unfit for recreational purposes * * * and this is no mean item when one considers that 25 percent of our population lives within 50 miles of the coast and this population is expected to double within the next 30 years.

Coastal erosion is a national problem and demands national concern. Every region of our nation is scarred by this process. Tillamook Bay, Oreg., has been the site of very considerable erosion damages. Over 1,000 acres of valuable oyster beds have been destroyed, and segments of the Tillamook Bay have been engulfed by the sea, resulting in the destruction of houses, roads, and utility lines. Our neighboring State of California has lost over 700 feet of shoreline at Port Hueneme. Moreover, highways have been destroyed in Mississippi; Ohio has suffered damages in excess of \$18.5 million over the last 20-year period, and countless homes, tourist cottages, canneries, bridges, cafes, and other structures are being eaten up in State after State by this treacherous phenomenon.

We simply cannot afford to ignore these losses. Much of this damage could be prevented by proper protective structures, but remedial action demands information about the exact nature of the problem, so that we can take steps toward an ultimate solution. The Federal Government has taken some action to help mitigate the problem of coastal erosion and does finance research in this field. The Corps of Engineers, a pioneer in this field, maintains the Coastal Engineering Center in Washington, and is doing research on the mechanics of the erosion process. The corps also provides assistance to the States by undertaking studies of erosion in specific regions upon the State's request. Since 1930, a number of States have taken part in this program; and, to date, approximately 23,000 miles of shoreline have been, or are being studied.

But over 70,000 miles of our coastline is threatened daily by this deterioration, and we have yet to make a comprehensive appraisal of the damage. Insufficient information makes it impossible to take long-term constructive action. We must know more about the diverse coastline of New England, the sandy beaches of the gulf and Pacific coast, the coral shores of the Hawaiian Islands and the tidewater backshore of the Carolinas.

Little is known about the 3,000 miles of eroding shoreline in Maine, or the 2,000 miles of Georgia's coast, or the 7,000 miles of coastal Louisiana. The coastlines of Oregon, Washington, Alaska, Texas, Michigan, and many other States are being subjected to damages which, at the very minimum (and I reiterate, it is impossible to make a precise estimate), are costing the American people at least \$50 million each year * * * and this figure is probably tripled when storm damages are considered along with normal erosion costs. Fifty million dollars would have more than paid for the total cost of the National Science Foundation expenditures for 1968, or the total cost to the Federal Government for the construction of community mental health centers for this year.

A problem of this magnitude cannot be corrected by piecemeal protection. The lot-by-lot approach more often than not results in the creation of new erosion problems. Frequently, one individual's attempt to stabilize his shorefront only leads to a new erosion catastrophe on his neighbor's property. A detailed, technical study which would apply comprehensively to a national problem needs to be undertaken before a sensible, long-range coastal erosion abatement program can be enacted. My bill, H.R. 16392, would provide for such an appraisal, giving us the vital information which must serve as the basis for any meaningful solution.

Mr. McCARTHY. The committee will stand adjourned until 10 a.m. tomorrow morning, June 26, when we continue hearings on rivers and harbor projects.

(Whereupon, the meeting was adjourned at 12:05 p.m. to reconvene on Wednesday, June 26, 1968, at 10 a.m.)

OMNIBUS RIVERS AND HARBORS, FLOOD CONTROL, AND RIVER BASIN MONETARY AUTHORIZATION BILL—1968

WEDNESDAY, JUNE 26, 1968

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON RIVERS AND HARBORS,
OF THE COMMITTEE ON PUBLIC WORKS,
Washington, D.C.

The Subcommittee on Rivers and Harbors met at 10:07 a.m., in room 2167, Rayburn Building, Hon. John A. Blatnik, subcommittee chairman, presiding.

Mr. BLATNIK (presiding). The Subcommittee on Rivers and Harbors will please come to order. We continue the public hearings, our second day of hearings on navigation and beach erosion projects for possible inclusion in the rivers and harbors and flood control omnibus bill of 1968.

We are delighted and certainly pleased and always honored to have our dean and our very dear friend and colleague, the distinguished Congressman from New York, Mr. Celler.

Mr. Celler is usually way ahead of the staff and chairman and always prepared.

We will be delighted to hear from you, Mr. Chairman.

STATEMENT OF HON. EMANUEL CELLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

EAST RIVER AND HUDSON RIVER, N.Y.—PORTIONS NONNAVIGABLE

Mr. CELLER. Mr. Chairman, I very much appreciate the opportunity to appear before this committee which is now laboring so diligently on various ramifications of complex legislation.

With your indulgence I would like to direct your attention to a specific matter which is of profound significance to my own city of New York, as well as to the entire State of New York.

New York City is currently planning a comprehensive and extensive program for the development of lower Manhattan. Under the city's lower Manhattan plan certain areas of the city along the Hudson River below Canal Street and along the East River below the Brooklyn Bridge would be utilized to create new residential communities for some 100,000 people.

The plan would provide desperately needed housing with river orientation, and within walking distance of some 450,000 jobs.

At the same time, the entire riverfront would be made accessible to the public and a large strip along the edge of the water would be made into a riverfront park.

Over 200 acres will be reclaimed along both sides of lower Manhattan. In addition to being a substantial step toward solving some of the severe social and economic problems now besetting our Nation's largest urban center, the proposed plan would result in an annual tax return to the city of approximately \$90 million.

Because of the strategic commercial importance of this unique area, its development would benefit not only the city, but also the State—and, indeed, the entire Nation.

I am especially pleased to be able to assure you that the entire lower Manhattan plan requires no expenditure whatsoever of Federal funds. Therefore, the Congress will not be called on to appropriate as much as \$1 to assist the program contemplated by the city of New York. Thus, the plan accords completely with the policy expressed in the President's message to Congress of February 23, 1968, on housing and urban problems, in which he stressed the need to encourage the use of private capital to rebuild our Nation's urban centers.

The only congressional action necessary for the carrying out of this important program is an action to remove a technical impediment—an action which I urge this committee to recommend through the inclusion of an appropriate provision in the rivers and harbors bill.

As you know, under existing law the Federal Government can expropriate, without compensation, any improvements on waterways which are defined by statute as "navigable."

As a result, although the city of New York owns the land adjoining the waterways included in the lower Manhattan plan, the city is now unable to obtain essential mortgaging on the valuable improvements that are contemplated by the plan.

I have been informed by the mayor of the city of New York, our former colleague, John Lindsay, that General Koisch of the Army Corps of Engineers has evaluated the waterways in question and has indicated that the city's plans for filling this area do not conflict with the plans of the Army Corps of Engineers.

It is my understanding that General Noble will testify this morning and I presume he will approve the statement by General Koisch.

As a result, I urge this committee to include in the present bill a provision which would declare the river areas contemplated by the lower Manhattan plan to be nonnavigable. In this regard, I would like to submit for your consideration the proposed text of such a provision.

I submit the text for the record at this point.

(The text referred to follows:)

SUGGESTED PROVISION TO FACILITATE LOWER MANHATTAN PLAN, TO BE INCLUDED IN RIVERS AND HARBORS BILL

That portion of the Hudson River, in New York County, State of New York, lying between the north line of Spring Street, extended westerly, the U.S. pierhead line as it existed on November 1, 1967, to a point where the U.S. pierhead line and the U.S. bulkhead line converge adjacent to Battery Park at a point approximately 930 feet south of Battery Place, is hereby declared to be not a navigable water of the United States within the meaning of the Constitution and the laws of the United States.

That portion of the East River, in New York County, State of New York, lying between the south line of Robert F. Wagner, Sr. Place extended eastwardly, the U.S. pierhead line as it existed November 1, 1967, and to a point where the U.S. pierhead line and the U.S. bulkhead line converge adjacent to Battery Park at a point approximately 1,260 feet south of Battery Place, is hereby declared to be not a navigable water of the United States within the meaning of the Constitution and the laws of the United States.

In my opinion, based on a thorough evaluation of all of the ramifications of this matter, a provision of the type that I have suggested would have no adverse effect whatsoever on any interest of the Federal Government. Instead, it would merely remove the present technical impediment to effective action by the city of New York.

Mr. Chairman, in these critical times, when the fiscal policies of the Federal Government are being subjected to severe strain, when demands are being made from every quarter for increased Federal funds—it is rare that we in the Congress are given the opportunity to facilitate major programs on a local level without incurring additional costs to the Federal Government.

The provisions which I have suggested would clearly afford Congress such an opportunity. It is a provision which will bring about long-range future benefits for the Nation's largest urban center—and a provision which also accords with numerous precedents already established by this committee and by the entire Congress.

In this regard, precedents for the provision suggested by me appear in our statutes from as far back as 1901, when Congress declared to be nonnavigable a portion of the Mississippi River opposite La Crosse, Wis. More recent examples of similar legislation exist with respect to New Bedford Harbor in Massachusetts, the West River in West Haven, Conn., and Bayou Terrebonne in the State of Louisiana.

In addition, as you will no doubt recall, I personally appeared before this committee in 1965 to request a similar provision with regard to a portion of the East River between 17th and 30th Streets in the city of New York. I am pleased to be able to tell you today that as a result of the earlier action taken by this committee—which likewise involved no cost whatsoever to the Federal Government—work on that extremely beneficial project is well underway.

I feel confident that by recommending a similar provision which is essential if the lower Manhattan plan is to become a reality, this committee will again contribute to the achievement of an entirely beneficial result.

Mr. Chairman, I want to thank you again for the opportunity to appear before you.

If I might just briefly explain, here is a large map of lower Manhattan. This is what we call the tip, or the Battery. This is the Hudson River and from here down 500 feet from the shore, the land will be filled in and will be, or constitute an extension westward of the city of New York.

On this side of the East River, there is the Brooklyn Bridge and for 500 feet extending eastward into the river from the Brooklyn Bridge down to this point, the Battery, New York will be extended 500 feet.

On the other side of the lower Manhattan will extend this tip 500 feet eastward, 500 feet westward and add over I think it is 225 acres of land to the city of New York.

New York, of course, must build upward because of its restrictive area. But here is an opportunity whereby we expand the city horizontally and we can build horizontally. That is going to be a great boon to the city and I do hope that we will get your consent so we can go on with this good and beneficial plan.

May I leave these maps for the committee?

Mr. BLATNIK. Would you, please? Mr. Chairman, first of all as usual you make a very succinct and very persuasive case. You are correct that it does require congressional action, including certain areas not in use for navigation but technically navigable. It does require congressional action to remove the impediment for other development by declaring these areas nonnavigable.

There are, as you state, many, many precedents for doing this. We do, however, have the mechanics of working up the precise, specifics, directions, et cetera, the amount of fill, Mr. Chairman and as you indicated we will hear from General Noble and his staff.

May I state at this point the very preliminary basis that there are minor problems as one would be on the East River particularly as I recall from our preliminary briefing if the field extends too far out there is some question as to the effect of narrowing the channel, what effect it would have on the water loss and turbidity. These are minor problems. I am confident they can be worked out with minor adjustments. We will work with your staff and you will be thoroughly informed before any final decision is made.

Mr. CELLER. I agree with the distinguished chairman that there may have to be some minor adjustments made after the consent is given.

I want to make one correction. I said the extension would be about 500 feet on either side. It will be more than 500 feet. It will be on one side an extension of about 750 feet and on the other side, it will be about 1,000 feet. I would like to have that correction made.

Mr. BLATNIK. Thank you very much, Mr. Chairman.

Mr. CELLER. Thank you, sir.

Mr. BLATNIK. We have Mr. Patman and Mr. Rivers. Mr. Patman has a committee to go to over which he is presiding and with your permission we will hear him first.

Mr. RIVERS. I will yield to the gentleman from Texas.

RED RIVER (BELOW DENISON DAM) (NAVIGATION PROJECT), TEXAS, LOUISIANA, ARKANSAS, AND OKLAHOMA

STATEMENT OF HON. WRIGHT PATMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. PATMAN. Mr. Chairman, I would like to have permission to place into the record at this point my entire statement, although I shall not read the entire statement.

Mr. BLATNIK. The entire statement will be put into the record. (The full, prepared statement of Mr. Patman follows:)

STATEMENT OF REPRESENTATIVE WRIGHT PATMAN

Mr. PATMAN. Mr. Chairman, it is a privilege to be able to appear before this distinguished Committee in support of a navigation project which would accomplish something I have been working to achieve since 1923 when the people of Texas' First Congressional District originally sent me to the House of Repre-

sentatives. Now, forty years later, I am still urging approval of a plan which will bring water transportation to East Texas. It is not my purpose to take up much of your time, since after 40 years I have developed an acute sympathy for Congressional Committees who are so often faced by witnesses who could—as we say in Texas—by sheer endurance, talk a dog off a meat wagon.

First let me say that this entire Red River navigation project is urgently needed. The four-state area known as the "Gulf Southwest" is rich in natural resources, blessed by a temperate climate, and possessed of an almost limitless growth potential. Inequitable freight rates have for years burdened this promising section of the country. Only Monday I introduced a bill to try to do something about this discriminatory freight rate situation which in some cases result in railroad charges for shipments into our area being over twice those for comparable distances in sections of the country served by water transportation. While this may help, the rate problems faced by my constituents will never be solved until the project we are discussing today is under way.

Second, everyone who has studied the project is in favor of it. Red River and Cypress River navigation has been planned and considered for almost a hundred years. It was a good idea one hundred years ago and it is a good idea today. The exhaustive studies of the Corps of Engineers resulted in their endorsement of the project. On the basis of benefit-to-cost ratios, the entire project was given a rating of 1.8 by the District Engineer and 1.3 by the more conservative Board of Engineers for Rivers and Harbors (BERH). Again, these ratios will be discussed more carefully in presentations by those who are with me here today.

The only problem in my mind with the Army Report under consideration is the proposal to suspend action on the Shreveport-Daingerfield leg until an additional feasibility study is completed. I do express my strong opposition to this needless and dilatory proposal.

There are compelling reasons for objecting to a further study. The benefit-to-cost ratio for the entire project is favorable. It has long been considered a single project and is so treated in my bill, H.R. 5631, currently pending before this Committee. The only reason that the Daingerfield-Shreveport reach can be singled out for further study is that it is on the upper end of the project—which is expedience rather than logic.

Additionally, I would like to point out briefly the differences in benefit-to-cost ratios for the Daingerfield-Shreveport section. The District Engineer assigned this section a rating of 1.9 which was higher than the 1.8 ratio assigned to the remainder of the project. This ratio was slashed to 1.02 by BERH, based partially on the fact that 18 of the 36 countries with chronic or persistent unemployment served by this leg of the project, have enjoyed sufficient prosperity since the formulation of the project to remove them from the high unemployment category. I submit that part of the cause of this prosperity actually is the increased industrialization of the area based on the *expectation* of future water transportation. In other words, the prospect of waterways has already enhanced the attractiveness of the area to industry to a sufficient extent to prejudice benefit-to-cost statistics. This is a wonderful indication of what lies in store for this entire area when navigation to Daingerfield is approved by this Committee.

In conclusion, Mr. Chairman, let me repeat that I strongly believe this project should be considered as a single unit. It is my fervent hope that this Committee will see fit to dispense with further delay and act favorably upon this project which will, I am confident, signal the beginning of a bright new era for this fertile section of our nation.

May I say further that I wholeheartedly support the statement being filed with the Subcommittee today by the Texas Water Rights Commission, by the Texas Water Development Board whose Executive Director, Howard Boswell, is here today, and who will also present the views of Governor John B. Connally, the statement of the Honorable Franklin Jones, Sr., a distinguished attorney who speaks for the Marshall Chamber of Commerce and as President of the Cypress Valley Navigation District, the statement of the Morris County Commissioners Court, and the Northeast Texas Municipal Water District, whose President, Honorable George T. Brabham is also here today. Mr. L. R. Matthias, Executive Vice President of the Red River Valley Association will speak for this organization which has concerned itself with development of the Red River Basin in the four states of Arkansas, Louisiana, Oklahoma and Texas for roughly half a century. Mr. Chairman, Mr. Matthias is well known to you from numerous appearances before this Committee, but I would like to introduce Franklin

Jones and George Brabham who head up their respective delegations totalling more than 40 prominent residents from my Congressional District.

I deeply appreciate this opportunity given to me to testify today.

Mr. PATMAN. Mr. Chairman, it is a privilege to be able to appear before this distinguished committee in support of a navigation project which would accomplish something I have been working on to achieve since 1928, when the people of the First Congressional District of Texas sent me to the House of Representatives.

Now, 40 years later, I am still urging approval of a plan which will bring water transportation to east Texas. It is not my purpose to take up much of your time since after 40 years I have felt an acute sympathy for congressional committees.

First, let me say this entire Red River navigation project is urgently needed.

The four-State area known as the Gulf Southwest is rich enough in resources, blessed by temperate climate, and possessed of an almost limitless growth potential.

We have been handicapped by discriminatory freight rates which navigation will, in a large measure, correct. Second, everyone who has studied the project is in favor of it. Red River and Cypress River navigation has been planned and considered almost 100 years. It was a good idea 100 years ago and it is a good idea today.

The exhaustive studies of the Corps of Engineers resulted in their endorsement of the project. The only problem in my mind with the Army report under consideration is the proposal to suspend action on the first field leg until a feasibility study is completed. I do express my strong opposition to this needless proposal. However, I understand that we are all here together and we are in unity and we are not fighting among ourselves.

Certainly, we are working for one great project which includes, of course, the waterway to Shreveport and also to Daingerfield of Lone Star Steel.

There are compelling reasons to objecting to a further study. The only reason that the Daingerfield-Shreveport reach can be singled out for further study is that it is on the upper end of the project, which is expedience rather than logic.

I would like to point out differences to benefit-cost ratio for the Daingerfield-Shreveport situation. They assigned this a rating of 1.9, which was higher than the 1.8 ratio assigned to the remainder of the project. It is certainly justified in every way and so recommended by the Corps of Engineers.

In conclusion, Mr. Chairman, let me repeat that I strongly believe this project should be considered as a single unit and I am glad that all are in accord with that viewpoint.

It is my fervent hope that this committee will see fit to dispense with further delay and act favorably upon this project and I am confident will signal the beginning of a bright new era for the fertile section of our State.

May I say further, Mr. Chairman, that I wholeheartedly support the statement being filed with the subcommittee today by the Texas Water Rights Commission, by the Texas Water Development Board whose executive director, Howard Boswell, is here.

Howard, would you stand up, please? Howard will present the views of Governor Connally.

We also have a distinguished attorney, the Honorable Franklin Jones, Sr., who speaks for the Marshall Chamber of Commerce and president of the Cypress Navigation District.

We also have the statement of the Morris County Commissioners and the Northeast Texas Water District, the Honorable George T. Brabham, who is also here today.

We have Mr. F. L. Matthias, executive vice president of the Red River Valley Association, who will speak for his organization, which has concerned itself with the development of the Red River Basin in the four-State area—Louisiana, Oklahoma, Texas, and Arkansas—for half a century.

Mr. Matthias, will you stand, please?

Mr. Chairman, Mr. Matthias is well known to you from his numerous appearances before this committee.

I would like to introduce now Franklin Jones and George Brabham. Will you stand up, please? They head up their respective delegations, totaling more than 40 prominent residents from my congressional district.

I deeply appreciate this opportunity given to me to testify today, Mr. Chairman, and if you will hear these gentlemen when you can do so it would please me and my section of the country very much.

Mr. BLATNIK. Mr. Chairman, thank you for your very effective and persuasive presentation. We are familiar with the project. I have had the real pleasure, an informative experience, an enjoyable one as well, to be down in that part of the area both in Louisiana and Texas. I am familiar with the problems. I met many friends there and I know that I shall hear from several of these leading spokesmen later on.

Mr. PATMAN. Would you permit me, sir, to ask those from our area to stand up. They all know you and want to see you again.

Thank you, very much.

Mr. BLATNIK. Welcome, delegate members. We are pleased to have you here with us today. Thank you again, Mr. Chairman.

We will now hear from Mr. Rivers, our distinguished chairman of the House Armed Services Committee and certainly our beloved colleague. Thank you for yielding your time, Mr. Chairman. We know how busy your schedule is.

What we are doing, Mr. Chairman, so many of our colleagues are here with us today, we are hearing the congressional testimony and any other testimony of your local civic or industrial leaders. That testimony will also follow that of the congressional delegations and will be put in at the proper place with the detailed engineering and cost estimates.

COOPER RIVER, CHARLESTON HARBOR, S.C.

STATEMENT OF HON. MENDEL RIVERS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH CAROLINA

Mr. RIVERS. Mr. Chairman, I will put my supporting statement into the record, if you don't mind. I have with me J. B. Thomason, general

manager, South Carolina Public Service Authority, Moncks Corner, S.C. I would like to put his statement into the record following mine. (The full, prepared statement of Mr. Rivers, together with that of Mr. Thomason follows:)

STATEMENT OF REPRESENTATIVE L. MENDEL RIVERS

Mr. Chairman and members of the committee, I am extremely grateful for this opportunity to appear before this Committee to present my views on the St. Stephen Project which the Corps of Engineers proposes to build near St. Stephen, about 40 miles from Charleston. I am not going to try to describe this project to you or to get into any technical details because Col. Seidel can cover these matters much better than I. My purpose is to express my support of the St. Stephen Project as recommended by the Corps of Engineers and to explain its importance, both to the District I represent and to the nation.

The St. Stephen Project is a unique project in one respect, that is, the clear measure of benefits. All the projects considered by this Committee have a favorable cost benefit ratio, but for the most part, the benefits are measured by estimates of the good that they will do, and these estimates are subject to a wide margin of uncertainty. In the case of St. Stephen, the project will eliminate a major part of the very large dredging expense which the Corps of Engineers is now saddled with. The dredging expense mounts year after year in order to prevent the siltation of Charleston Harbor to the point where it would be unusable, either for commercial or national defense purposes. That expense is now estimated to be in the order of \$2½ million a year, on the average. There is some fluctuation from year to year, but over a period the increase has been very rapid. For illustration, the average cost of maintenance of Charleston Harbor in the five years from '51 to '55, inclusive, was about \$550,000. In the next five years the cost averaged almost a million dollars and in the years '61 to '65, inclusive, the average was almost \$1.6 million. In the last year of that period the cost was \$2,237,949. These figures are from the Corps of Engineers Report, page 9. No prudent business man would accept these mounting costs for dredging when there is a practical way to meet the problem at the source by reducing siltation, at a great savings. These savings will increase from year to year because inflation will drive up the maintenance expense every year, whereas once the St. Stephen Project is built the annual charges will be fixed permanently.

There is another important aspect of the comparison. The maintenance costs consist of the removal of thousands of cubic yards of silt every year. The Corps of Engineers is running out of spoil areas to deposit the silt. This is a vexing problem which will grow with time. The Corps of Engineers says that the solution of the siltation problem is to end the condition which is leading to the deposit of silt in Charleston Harbor. This is what the St. Stephen Project would accomplish.

The St. Stephen Project would not interfere with the Congressional program to hold federal expenditures down in the next fiscal year. All that will be required in 1969 is a modest amount of planning money, perhaps \$100,000. Major expenditures are at least two years distant, and, of course, the Appropriations Committee will determine expenditure priorities in the light of circumstances as they may exist from year to year.

Now I should like to talk for a minute about the effect of this project on the South Carolina Public Service Authority. It is also known as the Santee-Cooper Authority. This is a public agency of the State of South Carolina, created by direct Act of the State Legislature. It is South Carolina's public power yardstick and it has done a wonderful job. Some of its power output is sold at wholesale to small municipalities and rural cooperatives. Some is sold at retail in small towns and rural communities. Three military bases buy their power from Santee-Cooper, and several new industries, vital to the South Carolina economy, draw their power supply from this source. It is performing a vital service for the people of South Carolina and I know that the Congress would not want to make it impossible for this great work to continue.

Santee-Cooper draws a large part of its power supply from a hydroelectric project on the Cooper River which is called the Pinopolis Project. This project was built in the thirties as a great public works project. The Santee-Cooper authority applied for a license from the Federal Power Commission and the license was granted. Santee-Cooper has lived up to all of the provisions of the

license. Under the Federal Power Act this project is not subject to recapture because it is owned by a public agency.

The effect of the St. Stephen Project would be to divert most of the water from the Cooper River into the Santee River. It would leave the Pinopolis plant almost high and dry. The average flow through the Pinopolis Plant is something like 15,600 cubic feet per second. When St. Stephen is completed, this flow will be reduced to about 3,000 cubic feet per second, less than twenty percent of the present normal flow. The license does not expire until April 1, 1976.

The St. Stephen project as recommended by the Corps, including the provision for keeping Santee-Cooper whole, has been approved by Governor McNair of South Carolina and by every state and federal agency to which it has been presented, except for the Bureau of the Budget, which released its adverse report only yesterday. This report comes as a complete surprise in view of the unanimous endorsement which the project has received up to that point. It is a very negative and damaging report and I hope that this committee will reject it.

Now, of course, it would be the height of unfairness and confiscation if the Federal Government were to take away the water required to operate the Pinopolis plant without making compensation. I am not talking about the legal questions now, but simple fairness. The Corps of Engineers has therefore negotiated an arrangement with Santee-Cooper to keep Santee-Cooper whole. That arrangement is a part of the proposal which the Corps of Engineers is making. It was negotiated at arms length and after a lot of hard bargaining which took many months. Of course the agreement is tentative and is subject to Congressional authorization to negotiate the final terms. I strongly urge that the Corps be given this authority.

The Corps has also proposed what they call an early implementation feature which means that the Corps would have authority to divert the water before completion of the plant upon reimbursing Santee-Cooper for the additional cost of replacing the lost generation. I believe that this is a valuable and desirable feature also, provided it is not used to delay or block the construction of the St. Stephen project but only to get the benefits as soon as possible and without awaiting the completion or even the start of the St. Stephen project.

I am not going to waste my time commenting on the Bureau of the Budget. You know that the Bureau recommended authorization only for early implementation between now and the date of expiration of the Federal Power Commission license on April 1, 1976. This type of a recommendation is so absurd that I do not intend to even discuss it, since it involved breach of faith to say the very least to the customers of Santee-Cooper and the bond holders of this comparatively small power project.

I will far rather depend on your good judgment than the position of the Bureau of the Budget. This is not the first time that they have demonstrated a rather dismal lack of knowledge on a very important matter to a community about which they know practically nothing. I am perfectly willing to leave the fate of this project in the hands of this Committee. It may only be necessary to appropriate \$100,000 for the next fiscal year but I would be most grateful if this Committee would approve the entire project as recommended by the Army since authorization will be needed anyway to implement the needed funds for the future. The recommendation of the Bureau of the Budget could well sound the death knell to this project.

I urge this Committee to authorize the St. Stephen Project as proposed by the Corps of Engineers.

Thank you very much for your attention.

STATEMENT OF J. B. THOMASON, GENERAL MANAGER, SOUTH CAROLINA PUBLIC SERVICE AUTHORITY, MONCK'S CORNER, S.C.

This statement is submitted by the South Carolina Public Service Authority in support of the recommendation of the Corps of Engineers for construction of the St. Stephen project, including the request of the Corps for authorization to negotiate an agreement with the Authority which would keep the Authority whole in connection with project construction and operation.

The South Carolina Public Service Authority is a public agency of the State of South Carolina created in 1934 by an Act of the South Carolina Legislature. It owns and operates an electric generating, transmitting and distributing system in eastern South Carolina with lines extending across approximately 2% of

the state. It serves over 20,000 retail customers from its own system and over 100,000 rural customers through lines owned for the most part by electric cooperatives, but operated by the Authority. The Authority serves two large air bases and other large military and naval installations, as well as a number of large industries which have located in eastern South Carolina since the Authority commenced operation.

The heart of the Authority's power system is a hydroelectric generating plant near Pinopolis, South Carolina. This plant discharges the major portion of the flow of the Santee River into the headwaters of the Cooper River which flows into Charleston Harbor. The Authority commenced the discharge of water into the Cooper River in 1942. Since that date Charleston Harbor has continuously been improved for military and commercial purposes. The navigation channels within and adjacent to the Harbor have been both changed in location and greatly deepened within the period of the Authority's operation. The cost of dredging within Charleston Harbor has substantially increased within the same period, with the largest increases having occurred within the last ten years.

The Charleston District Office of the Corps of Engineers has almost continuously both studied and implemented harbor improvements. The report of the U.S. Army Engineers, Charleston District, Corps of Engineers, July 1966, concurred in by the Division Engineer, South Atlantic Division, November 4, 1966, and the report of the Board of Engineers for Rivers and Harbors, February 16, 1967, have been approved by letter from the Governor of South Carolina to the Chief of Engineers dated May 26, 1967, and by all federal agencies concerned, including the Departments of the Interior, Agriculture, Commerce, and Transportation, excepting the Bureau of the Budget.

As shown by its report, the Corps' plan for Charleston Harbor is the result of negotiations between the Corps, the South Carolina Public Service Authority and many other state and federal agencies. This plan recommends the redirection of the major portion of the flow of the Santee River away from the Cooper River, and the construction of a new hydroelectric plant near St. Stephen, South Carolina, which will discharge into the lower Santee River. The plan would reduce the discharge from the Authority's present Pinopolis hydroelectric plant from approximately 15,600 cfs to 3,000 cfs, and the Corps believes that this redirection would result in average annual savings in the dredging of Charleston Harbor of approximately \$2,600,000 per year.

The South Carolina Public Service Authority has made no independent study of the redirection plan, but has accepted this plan in view of the basic responsibility of the Corps for Charleston Harbor, and has agreed to cooperate fully on the basis that it will be kept whole with respect to any adverse impact on its operations. This cardinal principle underlies the tentative agreement between the Authority and the Corps of Engineers which is made a part of the project report and it is also the basis upon which the project has been endorsed by the Governor of South Carolina.

The Corps has not taken the position that the South Carolina Public Service Authority is liable for the siltation in Charleston Harbor. Since the license was granted both the location and the depths of the harbor navigation channels have been changed. The Corps has pointed out that the Authority's operations have been fully authorized, and page 37 of the District Engineers report reads:

"Therefore, no liability for shoaling is considered to attach to the South Carolina Public Service Authority since their operations have complied with the terms of FPC license 199, as amended."

The report of the Bureau of the Budget recommends against authorization of the St. Stephen project as proposed by the Army Engineers and approved by South Carolina and federal governmental agencies. Instead, the Bureau of the Budget recommends that the Corps negotiate an agreement with the Authority for immediate reduction of the discharge from the Pinopolis hydroelectric plant to 3,000 cfs, and that the Corps be authorized to purchase substitute power for the Authority for a term not to extend beyond 1976 and in amounts not to exceed the savings in dredging costs. The Bureau of the Budget could hardly have had an adequate understanding of the situation. For example, the limitation of power replacement funds to the amount of the savings in dredging in itself makes its proposal meaningless. The savings in dredging would be minor in the first few years after the redirection of water from the Cooper River, until the channel stabilized. The savings in this period would amount to only a small fraction of the cost of the alternative power supply.

The electric generation which will be lost by eliminating more than 80% of the flow through the Pinopolis power house will greatly exceed 500,000,000 kilo-

watt hours per year. The kilowatts and kilowatt hours which will be needed in substitution for the lost generation will cost approximately \$3 to 3½ million per year. For a term of eight years this would represent an expenditure of more than \$25 million. This expenditure would represent the cost of wasting the major flow of the Santee River by by-passing the Pinopolis project. In 1976, after this expenditure has been made, no alternate power house will have been constructed, there will be no public improvements to show for the money, and the long term problem will be unresolved.

Under the Corps' plan approximately \$35 million will be spent in the construction of an alternate power house which will represent a permanent public improvement and a permanent replacement of the power lost by redirection.

The plan recommended by the Bureau of the Budget would seriously affect the South Carolina Public Service Authority, its customers, and its ability to finance future business operations. In effect, the Bureau of the Budget has recommended that no payment be made to the Authority (for the more than 80% decrease in the flow through the Pinopolis power house) after April 1, 1976, based on an open invitation to the Federal Power Commission to so restrict any license renewal as to confiscate the major value of the Pinopolis project. Without debating the legal question, we believe the position of the Bureau of the Budget is unwise and unfair, especially as applied to a small public agency, whose license by Act of Congress is not subject to recapture. The tentative agreement between the Corps of Engineers and the Authority is equitable, and we ask the Committee and the Congress to allow this arrangement to be finalized.

Mr. RIVERS. Mr. Chairman, and members of the committee, I am very grateful for the privilege of testifying before this great committee.

I, too, am kind of busy. We have a \$22 billion bill before our Committee on Armed Services which affects the very lifeblood of the military—all the weapons systems, ships, planes, tanks, R. & D., tracked vehicles of all kinds.

We have been in session, Mr. Chairman since 8:15 this morning and they have permitted me to leave for a few minutes and then I am going back.

This is a sort of honor and this committee has been so gracious, Mr. Chairman, to permit me to testify. I want to say how great it is to appear before you.

Before I begin, Mr. Chairman, I will not fail to tell this committee of the everlasting thanks this Nation owes to you for your forward look in every area in which your jurisdiction extends. I praise every one of you every time I get out on an interstate highway.

What this committee has done for transportation and conservation of our natural harbors and our highways and streams is something for which the whole Nation is everlastingly indebted.

I am a member of a military committee and it is vital that our harbors be cared for and this committee's attention to this indispensable segment of our existence is something for which I am thankful.

Now, I shall not take too much time, Mr. Chairman. I want to tell you something about which I know just about everything. I know from the inception out in the legislature when we created an organization to come to Washington, even when I was in the legislature, the favorite pastime was coming to Washington for money and we did and we got it and we built this project right in the middle of my district, 10 miles from where I was born.

So, there is very little about this that I am not familiar with.

Now, Mr. Chairman, the St. Stephens project which the Corps of Engineers proposes to build near St. Stephens, S.C., is located a few miles from where I was born and about 40 miles from Charleston. I am not going to try to describe this project to you or to get into any

technical details. I will leave that to the Army Engineers. My purpose is to express my support of the St. Stephens project as recommended by the corps and not by the Bureau of the Budget and to try to explain its importance both to the district I represent and to the Nation.

Mr. Dorn knows a little something about this, I am quite sure.

The St. Stephens project is unique in that it is of clear benefit. All of the projects considered by this committee have a favorable benefit ratio, but for the most part the benefits are measured by estimates of the good they will do and these estimates are subject to wide margins of uncertainty.

In the case of this project on which I testify it would eliminate a major part of a very large dredging expense which the Corps of Engineers is now saddled with.

When I came to Congress before anybody on this committee ever got here, this Harbor of Charleston which this project is designed to relieve was less than \$250,000 maintenance. Now it is long past the \$1.3 million. The dredging expense mounts and it continues to mount year after year.

Now, the Army Engineers are trying to prevent the continuing siltation of the Charleston Harbor to the point where it would be unusable either for commercial or navigable defense projects, the Charleston Harbor is vital to the defense of this country. It has gone past as I say \$1 million and even up to the \$2 million plus a year maintenance cost of this harbor which we think is a result of the Santee-Cooper project.

There is some project from year to year in the cost but over a period the increase for the maintenance has been very rapid.

For illustration, the average cost of maintenance of Charleston Harbor in 5 years from 1951 to 1955 inclusive was \$550,000. In the next 5 years the cost will average almost \$1 million.

In the years 1961 to 1965 inclusive, the average cost was almost \$1.6 million and the last year of the period, the cost was \$2,237,949.

These figures are from the Corps of Engineers' report, page 9, which accompanies my testimony. Now, no prudent businessman would accept these mounting costs for dredging when there is a practical way to avoid this cost by reducing the silting and this is a proposal before you.

These savings will increase from year to year because inflation will drive up the maintenance cost every year whereas this project we are talking about, the St. Stephens project when it is built, the annual charges will be fixed permanently.

There is another important aspect of the comparison. The maintenance cost consists of the removal of thousands and thousands of cubic yards of silt each year from the Charleston Harbor. The Corps of Engineers is running out of spoil areas to put this silt on. As a matter of fact, it is quite a controversy in my town of Charleston where to put this silt.

Even the legislature who is responsible for finding out, they always bring these problems up and you know whose lap they dump it on. So, I am in the middle of that as well as everything else in this area which I represent.

Mr. Chairman, this is a vexing problem that will grow and grow with time. The Corps of Engineers says that the solution to the siltation problem is to end the condition which is leading up to the deposit of

the silt upward of my harbor which is as you know, Mr. Chairman, the best harbor in the United States and the only harbor in the East on the Atlantic Ocean.

Now, I want somebody to question that, Mr. Cramer.

Mr. CRAMER. It is one of them.

Mr. RIVERS. It is the only harbor on the ocean. Charleston is the only city on the ocean with a harbor, did you know that? It is 5 miles from the ocean.

Now, here is what the Santee-Cooper project will do, the St. Stephens project. The St. Stephens project would not interfere with the congressional program to hold Federal expenditures down in the next fiscal year. The thing to do is what we are trying to do now. All that would be required now for fiscal year 1969 is to give us the modest sum of \$100,000, that is what the Army Engineers recommend.

Now, this would be for planning money. The major expenditures are at least 2 years distant, Mr. Wright, 2 years distant. This is the plan. We call it A. & E. I think that means architect and engineering. You call it advanced engineering and design. That is what you call it.

Now, of course, the Appropriations Committee will determine the expenditure priorities after you have authorized it and this is what I am imploring you, Mr. Clausen, to do—authorize it. Authorize the whole business, not any segment of it.

Now, I should like to talk for a minute about the effect of this project on the South Carolina Public Service Authority. This is our own TVA which runs the whole business, the powerplants and the whole business connected with it. It is also known as the Santee-Cooper Authority. This is a public agency of the State of South Carolina created by the direct act of the State legislature when I was a member of it. It showed the vision I had there. It is South Carolina's public power yardstick and it has done a magnificent job.

Some of its power output is sold at wholesale to small businesses, municipalities, and rural cooperatives. Some is sold at retail to small communities and small towns. Three military bases buy their power from this authority and several industries vital to South Carolina's economy draw their power supply from this basin.

Mr. HARSHA. How did that happen to get built?

Mr. RIVERS. Somebody went down there and saw how wonderful it was and they persuaded me to let them put in a few military installations on that and very reluctantly I agreed, as you know.

Now, it is performing a vital service to the people of South Carolina and I know that the Congress would not want to make it possible for this great work to be abandoned.

The Santee-Cooper draws a large part of its power supply from a hydroelectric project which is part and parcel of the whole business. It is on the Cooper River which runs by Charleston and it is called the Pinopolis project.

This project was built in the 1930's as a great public works project. The Santee-Cooper Authority applied for a license from the Federal Power Commission and the license was granted.

The Santee-Cooper has lived up to all of the provisions of this license. They have not varied or violated or failed in one requirement to the bond holders.

Under the Federal Power Act this project is not subject to recapture. It is owned by a public agency. The effect of the St. Stephens project, that is the one before you, would be to divert most of the water from the Cooper River, that is the one that runs by Charleston by the naval shipyard and into the harbor and run it back into the Santee River whence it came.

The Santee River comes and runs into this big lake, lets the water run down to Charleston. They want to run it into the lakes and all the spilling back into the Santee River instead of Charleston where the harbor is being ruined as a result of the silt coming as a result of the Pinopolis project. It would leave the Pinopolis plant almost high and dry, out of business.

The average flow at the Pinopolis plant is something like 15,600 cubic feet per second. When the St. Stephens project is completed, this flow will be reduced to 3,000 cubic feet per second, less than 20 percent of the present flow.

Now, the license to do this does not expire until April 1, 1976. The St. Stephens project was recommended by the corps including the provision for keeping the Santee-Cooper whole, the whole business whole, and had been approved by the Governor of the State of South Carolina in accordance with the law and by every State and Federal agency to which it had been presented except the Bureau of the Budget which released its adverse report only yesterday. All they did was close up the power.

This report comes as a complete surprise in view of the unanimous endorsement this thing has received up to this point by all parties whomsoever, even the Public Health commented on it.

This is a very negative and damaging report and I hope and I am sure the members of the committee that you will forthwith reject it and this is what I most respectfully urge you to do, gentlemen.

Now, of course, it would be the height of unfairness and confiscation if the Federal Government were to take away the water required to run the Pinopolis plant and the one they are now running without making compensation. This would be ridiculous. I am not talking about legal questions now, but just ordinary curbstone common fairness.

The Corps of Engineers has heretofore negotiated an arrangement to keep the Santee-Cooper whole, powerplant, spillways, and everything. This arrangement is part and parcel of the recommendation of the Corps of Engineers. It was negotiated at arms length and after a lot of hard bargaining which took many, many months to firm up this whole business and now it is before you.

Of course, the agreement is tentative and is subject to congressional authorization we understand, to negotiate the final terms. This is understood.

I strongly urge the Corps of Engineers, gentlemen, to give this authority. The corps has composed also what they call an area implementation feature which means the corps would have authority to divert the water before the completion of the plant so that it would not silt up Charleston Harbor upon reimbursing the Santee-Cooper for the additional cost of replacing its lost capacity to generate power. That is to say that during the time building this new generating plant, they would implement what they lost in power to fulfill the power to

our military, our shipyards, our Polaris base, and many of the towns and cities and our REA projects in that area.

I believe that this is a valuable and desirable feature, also, provided it is not used to delay or buck the construction of the St. Stephens project, but only to get the benefits as soon as possible and without awaiting the completion or even the start of the St. Stephens project. We want it all to go along at once.

I am not going to waste my time and I am just about through and I know you are glad. I am not going to waste my time, Mr. Chairman, to tell you about the Bureau of the Budget's recommendation. I only have a few more paragraphs here to refer to on that.

You know that the Bureau of the Budget's authorization is only for early implementation between now and the date of the expiration of the license of the Federal Power Commission to this agency. The Bureau of the Budget wants to let them go ahead, but do not do anything regarding their powermaking capacity until the license expires in 1976.

Who am I to conject or predict and who are you to conject or predict who will be sitting on the Power Commission in 1976?

Who are we to know who will make up the personnel of the Federal Power Commission? This thing is so ridiculous it is silly. I want you to let us go ahead and build this power plant and implement what the Army Engineers have done. If you follow the suggestion of the Bureau of the Budget all you will do will be to gut the project.

Let me go off the record here.

(Discussion off the record.)

Mr. RIVERS. The Engineers understand and this is elementary with the Engineers. You have to build a canal and at the end of the canal you have to build a powerplant. You cannot do it any other way. If you do it any other way you kill the project. They have the license. They have a noncapture clause in it. This is an agency of the State of South Carolina. That is their business and they agree to try to save the Harbor of Charleston by diverting the water and sending it down to the ocean in some other stream, but they have to have the power with it and this is what the Army Engineers are recommending and I will ask and implore this committee to give us what the Army Engineers have recommended because it is absolutely foolproof, arrived at after many, many hearings, endless hearings and after many negotiations and it is understood.

The manager of the project is here at the table with me. He has already submitted his statement and he does not want to take up your time. He knows how busy you gentlemen are and he is perfectly willing, as I am, to leave it to the good gentlemen of this committee, the least of whom is not Mr. Harsha.

Mr. BLATNIK. Thank you very much, Mr. Chairman. You have explained the proposition very clearly. The project is, from an engineering point of view, feasible and favorably approved by the Corps of Engineers, by several Federal departments, the Department of the Interior, HEW, Agriculture, Department of Commerce, Department of Transportation, the Federal Power Commission and certainly your own State of South Carolina.

The benefit-cost ratio is very favorable, 2.2. You do have this complicated situation to which the Bureau of the Budget objects.

I assure the chairman that we will give it every favorable consideration to see if we can get this project underway. We cannot make any too firm a statement at this time. We have been through this in the past.

You do have a very persuasive case and we hope to resolve our differences with the Bureau of the Budget at least within reason so that we can take action on this.

Mr. RIVERS. We only want \$100,000 this year, but we have to have the authorization. I am a committee chairman, too.

Mr. WRIGHT. Mr. Chairman, might I simply say very briefly—because I do not want to delay the next witnesses—but I think the gentleman from South Carolina has made a very extremely persuasive case. I believe that the gentleman from South Carolina is eminently better qualified and more knowledgeable of the facts involved than anyone in the Bureau of the Budget could be. The Corps of Engineers, whose experts have fairly analyzed the economics of the project, are more familiar than anybody in the Bureau of the Budget could be. The Bureau of the Budget is like a man trying to sell you an automobile without an engine.

The gentleman from South Carolina is always very persuasive.

Mr. ROBERTS. Mr. Chairman, I have been over almost every foot of this area in the last 2 years on Navy duty down there and I am persuaded before he made his presentation that it ought to have been done a long time ago.

Mr. RIVERS. He knows something about the silting down there because he spent much time as a captain when he should have been an admiral.

Mr. BLATNIK. Mr. Dorn?

Mr. DORN. Mr. Chairman, of course, I want to welcome my beloved colleague to the committee. He has stated the facts precisely and exactly and I hope this project is authorized by this committee and this session of the Congress.

Mr. RIVERS, we are happy to have had you with us.

Mr. RIVERS. Thank you, very much. I deeply appreciate this courteous and kind reception and I thank you, every one of you, very much.

Mr. BLATNIK. Thank you very much, Mr. Chairman.

We have to announce to the witnesses here that we are in somewhat of a bind as the House meets at 11 today. We have a very important appropriations bill up on HEW. We will make every effort to hear as many of the witnesses as we can today, hopefully all.

With that in mind, some of our colleagues could help. If you could be on hand with your delegations, we would have you stand by.

Mr. FASCELL, could we hear from you? You have a very large delegation.

GULF COASTAL WATERWAY—ST. MARKS TO TAMPA BAY, FLORIDA

STATEMENT OF HON. DANTE FASCELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. FASCELL. I do, Mr. Chairman. What we would like to do is to bring up the director of our board of conservation, Mr. Hodges and Mr. Herb Kelley.

On behalf of Mr. Sikes, I have a statement on one of his projects that I support. It is the Gulf Intracoastal Waterway.

(The statement of Hon. Robert L. F. Sikes follows:)

STATEMENT BY HON. ROBERT L. F. SIKES, A REPRESENTATIVE IN CONGRESS FROM
THE STATE OF FLORIDA

Mr. Chairman, I appreciate the opportunity of appearing before this distinguished Committee today in support of the Gulf Intracoastal Waterway—St. Marks to Tampa Bay. This project would provide for construction of about 250 miles of intracoastal waterway, 12 feet deep by 150 feet wide, from Tampa Bay to St. Marks River, Florida. An intracoastal waterway between St. Marks River and Tampa Bay is planned to be located generally along the Gulf shore from St. Marks River to the Anclote River and thence, along the existing Gulf Intracoastal Waterway to Tampa Bay.

The total estimated cost of the project is \$104,322,000. Of this amount, \$89,872,000 is federal cost and \$14,450,000 is non-federal participation.

This project will interconnect the Gulf Intracoastal Waterway from St. Marks to the Mexican border, with the section from Anclote River to the Caloosahatchee River, Florida. It will also provide a protected waterway, connecting the Cross-Florida Barge Canal with the Gulf and midcontinental system of waterways and the Atlantic seaboard system. In addition to providing major transportation savings through barge distribution of freight from deep water ports at Tampa, St. Petersburg, Pensacola, and Panama City, construction of the St. Marks to Tampa waterway will open a large part of the remaining undeveloped coastline of Florida for recreational development and would preserve these natural resources for public use. Completion of the waterway, coupled with completion of the Cross-Florida Barge Canal, will provide a connected intercoastal waterway system of over 2500 miles, reaching from Trenton, New Jersey to the Mexican border and tying in to the Mississippi River system of channels, including the Tennessee, Ohio, and Missouri River systems and on to the Great Lakes via the Illinois waterway.

Mr. Chairman, I strongly urge that this Committee give favorable consideration to this most outstanding project which has such far-reaching benefits.

Mr. FASCELL. Mr. Chairman, Mr. Gibbons has a statement.

Mr. BLATNIK. Proceed, Mr. Gibbons.

STATEMENT OF HON. SAM GIBBONS, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF FLORIDA

Mr. GIBBONS. I will merely put my statement into the record at this point.

(The full prepared statement of Mr. Gibbons follows:)

STATEMENT OF HON. SAM GIBBONS, A REPRESENTATIVE IN CONGRESS
FROM THE STATE OF FLORIDA

Mr. Chairman, for the past five years the question of the feasibility of constructing a 250 mile coastal waterway from St. Marks, Florida, to Tampa, Florida, has been studied by the Army Corps of Engineers. The purpose of this construction project is to connect the inland waterways of the Atlantic seaboard with those of the Gulf of Mexico and the mid-continental United States. Completion of the waterway, coupled with completion of the Cross-Florida Barge Canal, will provide a connected intercoastal waterway tying in to the Mississippi River system of channels including the Tennessee, Ohio, and Missouri River system and the Great Lakes via the Illinois waterway system. As you can see, this project will benefit a large segment of our population.

On June 10, 1968, the Board of Engineers for Rivers and Harbors recommended construction of a 12 feet deep and 150 feet wide channel to close the final gap in the Gulf Intracoastal Waterway system. I think it is important to emphasize that the area under consideration represents the only missing link in a sheltered coastal waterway extending from a point north of Boston, Massachusetts to the Mexican border.

There are a number of other benefits associated with this project. In addition to providing major transportation savings through barge distribution of freight from deep water ports at Tampa, St. Petersburg, Pensacola, and Panama City, construction of the St. Marks to Tampa waterway will open a large part of the remaining undeveloped coastline of Florida for recreational development and would preserve these natural resources for public use.

A thorough study has been made of the cost-benefit ratio for the project. The ratio of 1.7 to 1 is certainly favorable. There are many other benefits which are difficult to estimate. I feel that planned industrial development will occur in specially zoned areas near the urban centers along the waterway and will add materially to prospective waterway traffic in the future.

I also feel that shippers and receivers of barge transportable bulk commodities as well as the public sector of the general economy will receive immediate benefit from reduced barging transportation charges. Substantial benefits will be realized from recreational boating traffic, land enhancement from placement of dredging spoil, and general recreational development along the route of the waterway.

The Chief of Engineers is co-ordinating the project with various agencies interested in it. A final report is due soon. However, I feel sure their comments will not adversely affect this vital transportation improvement.

Mr. Chairman, I know this Subcommittee will give this project very careful consideration. I urge you to authorize construction in the present Omnibus Public Works bill before you today.

Thank you.

STATEMENT OF HON. DON FUQUA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. FUQUA. I would like to insert my statement into the record at this point, Mr. Chairman. It concerns the Gulf Intracoastal Waterway.

Mr. BLATNIK. Without objection, it is so ordered.

(The full, prepared statement of Mr. Fuqua follows:)

STATEMENT BY HON. DON FUQUA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

Mr. Chairman, a chain is only as strong as its weakest link. Accordingly, my concern for our Intracoastal Waterway has been of long standing and sincerely in the best interest of our nation. Since my election to Congress, I have appeared before the various appropriate committees urging the completion of the only "missing link" in the nearly 3,000 mile Intracoastal Waterway traversing along our coastline from Trenton, New Jersey, to the Mexican border. This uncompleted portion from St. Marks, Florida, to the Tampa Bay area deserves without further delay the congressional authorization which would begin the forward steps toward effective, efficient, and expeditious industrial and recreational development, along with sufficient defense transportation measures.

Emphasis cannot be overstressed with regard to the necessity of this project authorization. It is somewhat bewildering that we are so near to having perhaps one of the best protected inland waterways any nation has, and yet at the present rate of progress it seems another generation may pass before the benefits we know and advocate will be realized. A good part of the unfinished waterway lies along the Gulf coastline of my congressional district, and I have worked diligently toward the completion of the "missing link" of some 224 miles. It is time that due regard be exercised in the routing and construction of this portion of the waterway and bring to and end a lack of active and unquestionable recognition of the significance of the completion of it.

This is particular trenchant in view of the construction of the Cross Florida Barge Canal. The Gulf Intracoastal Waterway will further implement and most certainly augment the purposes and use of the Canal. I believe the defense measures served through these waterways are understandable and thought provoking even without extensive discussion or even mention. The single thought of a Communist government only 90 miles from our nation's shorelines and border makes all of this very real to us. Furthermore, the economic benefits have been presented numerous times over the years. We are now looking beyond these meritorious points of long standing into the space age. There is an imminent need of the

waterway, along with the Canal, for the transporting of missiles from the space flight center at Huntsville, Alabama, to the launching site at Cape Kennedy. They are of a size which can only be accommodated by specially constructed barges. The security of the movement of the missiles is mandatory, but there is a time factor involved, as well.

I am encouraged by the favorable survey report of April 11, 1968, made by the Corps of Engineers. Allow me to stress the affirmative reaction on the part of the reporting officers who believe the construction of the "missing link" would benefit navigation and recreation in the amount of about \$9,987,000 annually and with a ratio of benefits to the cost at 1.7 to 1.0.

It is hoped and urged that you take favorable action in behalf of the Intra-coastal Waterway and increase its "strength" by the completion of the St. Marks to Tampa Bay route; eliminating not just the weakest link, but the missing link!

STATEMENT OF RANDOLPH HODGES, DIRECTOR, FLORIDA BOARD OF CONSERVATION; ACCOMPANIED BY I. J. STEPHENS, REAR ADMIRAL, U.S. COAST GUARD (RETIRED)

Mr. HODGES. Mr. Chairman, I am Randolph Hodges, the director of the Florida Board of Conservation.

Mr. BLATNIK. We welcome you, Mr. Hodges.

Mr. HODGES. I am the director of the Florida Board of Conservation which is composed of the Governor and six members of his cabinet.

Our Florida Legislature is in session and prevented those gentlemen from appearing personally before you this morning.

Mr. Chairman and members of the Public Works Committee, it is my pleasure to have this opportunity of discussing with you our Florida program of water resources development. It is also my honor to be able to join with the members of our Florida delegation in presenting to you our statewide program of public works projects desired to be accepted by the Public Works Committee and recommended by you for authorization by Congress.

This program I present to you has been mutually developed and agreed upon by local interests, State government, and our congressional delegation. Each project included has been developed by the Corps of Engineers and is recommended by the Board of Engineers for Rivers and Harbors. It is not a fragmented, sectionalized program; but is the unified position of all recognized interests representing Florida, and includes our position on all water-related projects in the State concerning flood control, beach erosion control, and rivers and harbors. We know of no opposition to these projects but would like for you to know how important this unified program of public works is to our delegation, to our State, and to the people of Florida.

The Florida Board of Conservation is composed of the Governor and the six cabinet members. Under our State law, the board of conservation has the duty of supervising and coordinating development of the water resources in Florida and preparing the unified statewide program for presentation to Congress.

Last week we appeared before Congressman Bob Jones' Flood Control Committee and made our presentation on projects within his purview. Members of our Florida delegation consider it important that our actions show equal respect for the Rivers and Harbors Committee. We have come back from Florida to prove this point, but we will make our appearance brief because we know you have an overloaded schedule. We appreciate the loyal and diligent efforts of our

congressional delegation in furthering the interests of Florida and consider it an honor to be asked to work with them on any matter, particularly one so important as appearing before your committee.

We in Florida recognize and appreciate our dependence on the water resources of the State for our economy, our welfare, our existence, and our future. It is our purpose and our policy, as stated in Florida laws, to conserve these resources by multiple-purpose developments that will yield the widest use and most valuable benefits for our people and the Nation without depleting the basic natural resources.

The program we are recommending to you this year is in accord with this stated policy. New projects recommended are those that have long been considered by the State, carefully studied by the Corps of Engineers, and recommended by the Board of Engineers for Rivers and Harbors. We have outlined our program in a written brief as a statement for the record and included our recommendation for each project. Copies of the brief have been given to your committee and I will not repeat those details. I will discuss briefly only the navigation and beach erosion control projects.

The Florida Board of Conservation believes that improvement in transportation economies is an essential to our economic growth and stability. We further believe that the only feasible means of obtaining these economies is by providing water transportation. That is why our ports and inland waterways are of such great importance to our development and long-range economic security.

A 250-mile inland waterway project along the Gulf of Mexico from St. Marks River to Tampa Bay, Fla., designed to interconnect the inland waterways of the Atlantic seaboard with those of the Gulf of Mexico and the midcontinental United States, completing and tying together these separate systems, has been studied by the Corps of Engineers for the past 4 or 5 years and is recommended for authorization at this time. We concur in the recommendations of the Corp of Engineers and emphasize that this project is the most urgently needed of all waterway projects in the United States because it gives meaning to several disconnected segments of the waterway system.

Metropolitan Dade County is completing this year a \$23 million improvement program for the Miami Port that will provide a modern passenger terminal, marginal wharves, transit sheds, warehouses, utilities, and other facilities needed for an efficient and modern port. A second-phase development of the port is now in the planning stage for a longer range plan to meet future requirements. The existing channel depth of 30 feet for the Miami harbor is inadequate to meet current requirements and will practically preclude use by many ships now under construction which are planned for future operations. The population and growth demands of the Miami area dictate consideration of improving the navigation facilities to meet at least the minimum present demands of water transportation. Deepening of the main ship channel and turning basin to 36 feet is fully justified at this time. Authorization of this channel improvement is recognized as an important requirement of south Florida and is requested by the State to be recommended by your committee for authorization.

Port Sutton is served by a side channel in Tampa Harbor. The Port Sutton channel and related port facilities were constructed with local funds. They were constructed to meet the growing industrial demands of the Florida west coast area. The Federal Government maintains all

other channels of Tampa Harbor; but since the Port Sutton channel was developed at private expense, it is not presently maintained by the Federal Government. The purpose of this request is to seek Federal authorization for maintenance of this channel, the same as for other channels in the Tampa Harbor.

There is one beach erosion control project in Florida recommended for authorization this year. It will protect an area of our shoreline important not only for recreation and the economy of the region, but also important to the great missile center at Cape Kennedy in Brevard County. Local interests have agreed to pay the major share of the cost of the project along the public use area where the beaches are important for recreation and public use, and essential to the economy of the region served. Protection of the federally owned shore north of Canaveral Harbor and at Patrick Air Force Base could be provided protection, subject to justification by the agencies involved. Details of this project are contained in the statement for the record submitted to your committee. We request your favorable consideration for authorization of this beach erosion control project in Brevard County.

We realize that reports on some of the projects for which we request authorization may not have been processed by all Federal agencies and their comments may not have been available in time for the Chief of Engineers to submit the reports to Congress in final form. However, all of these projects have been studied by the Corps of Engineers and favorably reported by the Board of Engineers for Rivers and Harbors. If any of the reports discussed have not reached your committee before the hearings are completed, we hope that you may call up any interested agency to present their comments so the committee may consider the project before markup of the omnibus bill.

We hope that these project reports having cleared the Board, will be favorably considered by your committee for inclusion in the omnibus bill for 1968.

Thank you for giving us this opportunity of presenting our program requirements to your committee.

Mr. BLATNIK. Thank you, Mr. Hodges.

The gentleman from Ohio, Mr. Harsha.

Mr. HARSHA. Thank you, Mr. Chairman.

I would like to call the attention of the members from Florida, Mr. Fascell, Mr. Fuqua, and Mr. Gibbons and you might relay this information to Mr. Sikes, that there are a number of problems as you have envisioned created. We do not have the comments of the Federal agencies and the Bureau of the Budget so I would urge you to use your considerable influence with the departmental agencies to expedite their reports so we may have all the information available when we mark this up.

Mr. GIBBONS. We are going to ask their cooperation in getting it to this committee.

Mr. HARSHA. Be a little more aggressive in that effort because time is of the essence.

Mr. CRAMER. Would the gentleman yield?

Mr. HARSHA. Yes.

Mr. CRAMER. Each of the agencies should be contacted by the delegation or by one of its members to ask that these reports be expedited. However, I am confident we can get some preliminary reaction from the respective departments and I am sure the gentlemen are also

familiar with the fact that where it appears there is not obvious opposition, that the committee has, in the past where the circumstances are justified, authorized the project subject to these provisions.

The Intracoastal Waterway is of great concern to all of us and this is the last phase of the missing link and waiting 2 more years for authorization would be most disadvantageous to everyone concerned including the State of Florida with its local responsibility.

This study that must be made relating to fish and wildlife and natural resources and estuaries, that even precedes the construction stage. It is essential that it be underway in the near future so there is plenty of precedence for this committee as it relates to time.

Would you show that chart again, please?

Mr. HARSHA. I would say to the gentleman from Florida that I am very much aware of his interest in this project and his considerable leadership. I am sure this will be one that will be continued cooperatively wherever possible and I thought if we could eliminate some of the problems that might arise now, that would expedite it.

Mr. CRAMER. Perhaps some of the agencies present in the room will be able to recognize it is the desire of the committee to get those reports before we start marking up the bill.

Mr. FASCELL. Thank you very much, gentlemen. You men have traveled far.

MIAMI HARBOR, FLA.

Mr. Chairman, we will be through here very quickly. We have another witness, Rear Adm. I. J. Stephens, U.S. Coast Guard.

Admiral STEPHENS. Mr. Chairman, with your permission I should like to submit my statement and I could summarize this in about 30 seconds.

Mr. BLATNIK. Without objection, it is so ordered.

(The full, prepared statement of Admiral Stephens follows:)

STATEMENT OF I. J. STEPHENS, REAR ADMIRAL USCG (RETIRED), PORT DIRECTOR, PORT OF MIAMI, FLA.

Gentlemen, my name is Irvin J. Stephens, Rear Admiral, U.S. Coast Guard (Retired) and presently Port Director, Port of Miami. Technically, I am Director of the Seaport Department for Metropolitan Dade County, Florida.

I appreciate the opportunity to appear before you this morning on behalf of the proposed deepening project for Miami Harbor. This project is of vital importance to all of the Greater Miami Area, included within Dade County, Florida, the governmental entity which I represent.

Today I want to emphasize rather briefly just why this deepening project is so vital to the Greater Miami Area.

The Port of Miami has been in existence for over 50 years. The old port, located in downtown Miami on Biscayne Boulevard, has well served its purpose over these many years in the handling of cruise passengers and general cargo. Formerly largely a coastwise shipping port, it has, since World War II, become a significant general cargo port for worldwide trade. Of particular interest is the Port of Miami's rapidly increasing trade with the countries of the Caribbean Basin. Swift and frequent service to all of this area is provided from the New Port of Miami particularly by roll-on, roll-off container vessels, a service in which the Port pioneered.

In consideration of this shift in emphasis and rapidly increasing shipping business through the Port, during the past five years we have been phasing out the old port and building a brand new \$25 million port, five minutes from downtown Miami. Modern in every respect and with the capability to handle the future port needs of the area, it is imperative that the navigational capability be in consonance with the capability of the facilities themselves.

Virtually each day sees the New Port of Miami lined with ships flying the flags of many nations and carrying the wide variety of goods both inbound and outbound. There is, for example, service three or four times a month to the Far East—to northern Europe—to the Mediterranean—and even more frequently to South America.

Unfortunately, however, and in too many cases, shipping business through the Port is limited by its present depth of water. Too often ocean going freighters must make Miami a middle or last port of call rather than the first port, because there is inadequate water. Too often ships are diverted from entering the Port because of insufficient depth of water. Too often valuable cargoes are lost to other ports, not conveniently located, because of inadequate channel depths.

The many users of the Port of Miami are unanimous in their strong view that the additional 6' of water proposed in the Engineers' Report is vital to the continuing and future wellbeing of the Port of Miami.

On the cruise ship side of the coin, the picture is the same. For many years the Port of Miami has enjoyed a natural geographical location for this important passenger business. Being as it is at the very doorway to the Bahamas and the Caribbean Basin, literally hundreds of thousands of citizens of this country have enjoyed tropical cruises from the convenient Port of Miami. At the same time, however, a great loss of potential cruise passenger business has resulted because of inadequate depth of water. Many large passenger ships, strongly desirous of entering the Port of Miami, have been precluded from doing so because of insufficient depth.

Up until the present time the Port has also suffered from the lack of adequate passenger terminal facilities. Now, however, this deficiency is being overcome inasmuch as the Port has under construction its brand new \$5 million passenger terminal. This will be a very unique facility and one which will be most attractive and inducive to thousands of potential cruise passengers. This terminal is scheduled for partial operations in December 1968, and for full operations in April 1969. With the completion of this long-awaited passenger facility, the present passenger load can be handled in an appropriate and comfortable manner, and some additional light-draft passenger ships will also be attracted.

However, again the existing 30' for water in the Port of Miami is a serious limitation upon the development of this business. Studies have clearly indicated that many of the world's cruise ships draw on the order of 28', 29', 30', or 31', and Miami's present depth of 30' is simply inadequate to take these vessels. With the 36' project approved, virtually all of the world's passenger ships could make the Port of Miami a highly desirable port of call.

This, of course, means not only our own citizens embarking and debarking on cruises from this Port, but of equal importance, the gates would be open to many foreign-flag vessels and visitors in conjunction with Caribbean cruises, around-the-world cruises, and trans-Atlantic travel. I would emphasize in this connection that while the ship can no longer be truly regarded as a means of competitive transportation, nonetheless it is rapidly becoming a major vehicle for leisure travel. I think it goes without saying that the closer we approach the 35-hour week and the more affluent becomes our society, the more demand there will be for leisure time. And in the eyes of many people, there is no better means of spending leisure time than aboard a luxurious cruise liner in sunlit and smooth tropical waters.

May I emphasize also that with completion of its new ship passenger terminal within a year, the citizens of the Greater Miami Area will have invested almost \$25 million in its fine new Port. Moreover, from all present indications and studies, an equal amount will be invested in the Port over the next 10 to 15 years. Our community has, indeed, a great confidence in the future growth and development of its Port.

The community awaits eagerly for its Port to take its rightful place among the major ports of this country, and this can only be accomplished with this vitally needed deepening project. Already and without any hesitancy the Greater Miami Area, acting through its duly constituted Dade County Government, has pledged its full support and has guaranteed the total local participation that will be required of it.

I urge that this project be given prompt and favorable consideration by your Committee.

Thank you, gentlemen.

Admiral STEPHENS. We are building a brandnew port over at Miami. Our community has about \$25 million invested in it now. We are in the

second phase. We will wind up with about a \$50 million investment, this deepening project from 30 to 36 feet.

Mr. BLATNIK. Admiral, is it 36 or 38 feet?

Admiral STEPHENS. It is 36 feet on the main channel sir, and 38 feet outside. That is an extra 2 feet because of wave bounce allowance out there. But this extra 6 feet is vital to us in terms of our rapidly increasing general cargo and our cruise passenger business.

I think that summarizes it, sir.

Mr. BLATNIK. The committee has in the past visited the port. It is an excellent development and I want to congratulate you on the splendid initiative and creativeness displayed on the local level under the very able leadership and participation of the citizens.

Thank you very much.

Mr. FASCELL. Mr. Chairman and members of the committee, we do have a beautiful port at Miami but this improvement is extremely essential because it is the lifeblood of our area. It is one of the fastest growing areas in the whole country.

As all of you know, we are one of the last major ports to receive this kind of treatment or improvement. We are way behind. We have been subject to great discrimination so long as I can remember.

It is one of the most costly things to our community and, therefore, it is urgent and necessary both from an economic point of view and from a military point of view to get this improvement.

I have a statement supporting this project, of course, which I want to submit for the record and to advise the committee that the agencies have reported favorably on this project, that is the Corps of Engineers, Department of the Interior, HEW, Department of Transportation, and the Florida Board of Conservation.

We expect the corps to report to the Congress today on the matter.

Thank you very much, Mr. Chairman.

(The full, prepared statement of Mr. Fascell follows:)

STATEMENT OF HON. DANTE B. FASCELL, A REPRESENTATIVE IN CONGRESS FROM THE
STATE OF FLORIDA

Mr. Chairman and members of the Committee, I want to thank you for giving me this opportunity to appear in support of authorization of improvements on Miami Harbor. This project is of vital importance.

The major portion of Dade County, Florida's economy is based on trade and tourism. It is a multi-billion dollar industry that brings visitors and trade from every point in the Western hemisphere as well as throughout the world. The present depth of 30 feet will not permit large cruise and other ships to dock at Miami. They are compelled to either berth elsewhere, even though most would prefer to come to Miami, or bypass South Florida completely.

In addition to tourism, Greater Miami has become one of the fastest growing areas in the country for light industry. Its garment manufacturing industry is one of the largest in the nation and the production of sports equipment, aluminum products, jewelry and boat building—to mention only a few—have become major factors in the economy.

The deepening of Miami Harbor will also prove to be a primary military asset to the United States. South Florida is one of the country's major strongholds of defense. During World War II a large number of vessels were sunk within view of the shore from Miami Beach to Key West. The limited facilities at that time were overtaxed. The availability of an additional deep water harbor to our military forces is apparent.

The federal government has other interests in deepening Miami Harbor. ESSA has chosen Miami for its new East coast oceanographic study laboratory. This, along with the University of Miami's Institute of Marine Science and the U.S. Tropical Atlantic Biological Laboratory, has made Miami the oceanographic center of the world. Large vessels for ocean study will be coming to Miami in

great number in the near future and the deepening of the port will facilitate their navigation.

With the proposed improvements of deepening the entrance channel to 38 feet and the turning basins to 36 feet, cruise ships, cargo vessels, military vessels, as well as tankers and supertankers, will be able to be accommodated at Miami.

Dade County already has underway a \$23 million improvement program for the Port of Miami that will provide a modern cruise passenger terminal, 17,000 feet of marginal wharf, more than 500,000 square feet of transit sheds and 150 acres of open storage. The last contract of this \$23 million program will be completed this year and a second phase development program for a long range improvement plan is now being considered.

Without the authorization of the improvements we are asking for today, none of these newly constructed facilities will be able to be used to contemplated full capacity.

Miami is not only the Gateway to the Americas—it is becoming one of the gateways to the world. In 1967 Miami International Airport was rated the 8th busiest in the nation, while Opa Locka Airport, immediately north of Miami, ranked number 2. Flights land and take off for every portion of the United States, Latin America, Europe, Africa and the Pacific. With a deep water harbor, Miami's seaport could be expected to be just as busy.

I respectfully request your approval of this authorization request this year.

(The responses of State and Federal agencies follow:)

FLORIDA BOARD OF CONSERVATION,
Tallahassee, June 12, 1968.

Re Report on Miami Harbor Channel Improvement, Florida.

DEAR GENERAL CASSIDY: This office is informed that the survey-review report of the Jacksonville District Engineer, Corps of Engineers, on the above referenced project has been approved by the Board of Engineers for Rivers and Harbors. Because of the short time remaining before hearings by the House Public Works Committee and the urgency of having the project included in the Public Works Omnibus Bill of 1968, comments of the Florida Board of Conservation are forwarded on project approval by the Board of Engineers in anticipation of requests from your office for comments and recommendations on the project.

The Board of County Commissioners, Dade County, Florida, the legally constituted agency of local responsibility, in resolution of September 5, 1967, accepted the requirements and conditions for local cooperation as specified by the Jacksonville District Engineer. Copy of the resolution of acceptance is contained in the report.

Comments of the fish and wildlife agencies concerned are also contained in the report. These agencies concur in the project and their comments are current in consideration of the project.

We appreciate the efforts you have made to expedite completion of this study and hope that the report having cleared the Board of Engineers for Rivers and Harbors, will be favorably considered by the Public Works Committees of Congress for inclusion in the Public Works Omnibus Bill of 1968.

Sincerely,

RANDOLPH HODGES, *Director.*

U.S. PUBLIC HEALTH SERVICE,
Cincinnati, Ohio, June 21, 1968.

Lt. Gen. WILLIAM F. CASSIDY,
*Office of the Chief of Engineers,
Department of the Army,
Washington, D.C.*

DEAR GENERAL CASSIDY: As requested by your letter of June 18, 1968, the following comments are presented regarding the report on Miami Harbor, Florida.

The Public Health Service has found that the improvements proposed in this report will cause no significant health-related problems. The intangible benefits of promoting the safety of navigation, as mentioned in Supplement I, is noted.

In view of the above, The Public Health Service has no objection to the authorization of this project.

Sincerely yours,

JEROME H. SVORE,
Director, National Center for Urban and Industrial Public Health Service.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 26, 1968.

Lt. Gen. WILLIAM F. CASSIDY,
Chief of Engineers,
Department of the Army,
Washington, D.C.

DEAR GENERAL CASSIDY: This is in reply to your letter of June 18, 1968, requesting our comments on your proposed report on Miami Harbor, Florida.

The Fish and Wildlife Service is pleased that your report adequately considers the fish and wildlife resources of the area. Your plan for disposal of spoil in the approved areas is noteworthy.

The Federal Water Pollution Control Administration states that the Corps of Engineers proposes to modify the existing navigation project at Miami Harbor by deepening the main channel, the approach and the turning basin and widening the entrance channel in the area between the jetties. If proper precautions are taken to avoid damage from silt resulting from spoil disposal, construction activities are not expected to have significant effects on water quality in the area. We note that much of the material to be excavated is rocky, indicating that little organic solids would be involved.

Construction of causeways and land fill projects have already severely restricted the natural tidal flows and the accompanying flushing action originally afforded these waters. The disposal of spoil adjacent to existing land areas is expected to further reduce local interchange of fresh and salt water, though it is anticipated that the reduction in interchange will be partially offset by the deeper channel.

While ocean outfalls are utilized for discharge of treatment plant effluents by the City of Miami and Miami Beach, numerous small treatment plants discharging treated effluent to canals and waterways leading into Biscayne Bay are now being used to take care of wastes from rapidly growing developments in the surrounding areas. We hope that these plants will eventually be tied to an ocean outfall or that advance waste treatment methods will be applied. Discharge of treated wastes from developing areas must be anticipated, however. In addition, pollution from the many commercial and pleasure crafts which use the harbor is becoming more severe. As a result of the intensive recreational use of the waters of Biscayne Bay, it is important that any changes which could contribute to further reduction in the quality of the Bay be avoided.

It has become increasingly apparent in the last several years that a comprehensive study of water quality problems in the entire Biscayne Bay area is needed. The complex changes in water movements and tidal exchange resulting from dredging and filling activities, from causeways and from the proposed changes in fresh water flow into the Bay which are associated with the increase in storage capacity of Lake Okeechobee and back pumping from certain areas indicate the desirability of an hydraulic model to show the effect of existing and proposed construction on tidal currents and water quality.

In view of the above, we are concerned that filling adjacent to Virginia Key, Fisher Island, Lummus Island and Dodge Island be replaced by shore disposal or that the spoil be so placed that it will not further restrict tidal exchange in the Bay.

The requirements of local cooperation in providing spoil disposal areas and necessary diking as well as regulations prohibiting discharge of pollutants to project areas should assist in the prevention and control of pollution. Particular attention in this area should be given to prevention of the discharge of untreated wastes from vessels using the harbor area.

The Federal Water Pollution Control Administration will be pleased to work with the appropriate field offices in any necessary review of detailed plans for disposal of dredging spoil in the interests of water pollution control.

The opportunity of presenting our views is appreciated.

Sincerely yours,

ROBERT W. NELSON,
Deputy Assistant Secretary of the Interior.

OFFICE OF THE SECRETARY OF TRANSPORTATION,
Washington, D.C., June 26, 1968.

Lt. Gen. WILLIAM F. CASSIDY,
Chief of Engineers,
Department of the Army,
Washington, D.C.

DEAR GENERAL CASSIDY: This is in response to General Clarke's letter of June 18 to Secretary Boyd requesting the review of your proposed report concerning the improvement of Miami Harbor, Florida.

Miami Harbor is dredged to a depth of 30 feet in the main ship channel and turning basin. The present project depth limits access to vessels drawing about 25 feet of water. Your proposed improvements call for dredging the main ship channel and turning basin to a depth of 36 feet and dredging the entrance bar channel to 38 feet. The plan also calls for widening the channel between the jetties by 100 feet. The estimated cost of the proposal is \$7,055,000 and it has a benefit/cost ratio of 1.5 to 1.

In the U.S. Coast Guard review of this report, it was noted that although project implementation would permit larger cruise ships to enter Miami Harbor, this would not affect basic Coast Guard responsibilities in the area. However, the relocation of certain aids to navigation would be required.

The Department of Transportation appreciates your courtesy in furnishing copies of this report for review and commentary.

Sincerely yours,

RICHARD J. BARBER,
Deputy Assistant Secretary for Policy Development.

Mr. BLATNIK. I see we have our old friend, John Young, a former member of this committee and our friend for many, many years.

PORT ARANSAS-CORPUS CHRISTI WATERWAY, TEX.

STATEMENT OF HON. JOHN YOUNG, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF TEXAS

Mr. YOUNG. Thank you, Mr. Chairman, and I would like to make reference to the Corpus Christi Waterway deepening project to 45 feet.

I do plan to submit a statement. I have a comprehensive statement here by Mr. Duane Orr, director of industrial development and port planning. Mr. Dale Miller is also present. They are not going to testify in deference to the committee's time, but with the committee's permission I would like to say that I certainly support wholeheartedly this project. It bears a more than 4-to-1 benefit-cost ratio approved by the corps and I think this is in excellent condition to go ahead.

I would like to submit their statements.

Mr. BLATNIK. Without objection, it is so ordered.

(The statements of Duane Orr and Dale Miller follow:)

STATEMENT OF DUANE ORR, DIRECTOR OF INDUSTRIAL DEVELOPMENT AND PORT PLANNING, NUECES COUNTY NAVIGATION DISTRICT NO. 1, PORT OF CORPUS CHRISTI, CORPUS CHRISTI, TEX.

JUNE 26, 1968

Mr. Chairman and gentlemen of the subcommittee, my name is Duane Orr, and I am Director of Industrial Development and Port Planning for Nueces County Navigation District No. 1, better known as the Port of Corpus Christi, Corpus Christi, Texas, in whose District the Port Aransas-Corpus Christi Waterway is located.

I appear before you today requesting that the modifications and improvements to the Port Aransas-Corpus Christi Waterway recommended by the Board of Engineers for Rivers and Harbors be adopted by your Committee and that the

project be included in your recommendations to the House Public Works Committee for authorization in the pending Rivers and Harbors Omnibus Bill.

AUTHORITY FOR REPORT

The report referred to and the modifications and improvements to the Port Aransas-Corpus Christi Waterway requested herein are based on the study made pursuant to the following resolution adopted April 14, 1960 by the Committee on Public Works of the United States Senate.

Resolved by the Committee on Public Works of the United States Senate, That the Board of Engineers for Rivers and Harbors, created under Section 3 of the Rivers and Harbor Act, approved June 13, 1902, be, and is hereby, requested to review the reports on the Port Aransas-Corpus Christi Waterway, Texas, submitted in House Document No. 361, 85th Congress, 2nd Session, Senate Document No. 33, 85th Congress, 1st Session, and previous reports, with a view to determining if the existing project should be modified in any way at this time, with particular reference to providing increased channel and basin depths and widths, for flaring approaches to the turning basins, and for further channel extensions, including a shallow draft branch channel from Corpus Christi Bay into Nueces Bay, and for an exchange of water between the Nueces River and the Viola Turning Basin.

PUBLIC HEARINGS

Public hearings were held by the Corps of Engineers in Corpus Christi, Texas on April 25, 1961 and March 10, 1964 to determine the views of local interests.

DESCRIPTION OF WATERWAY

A detailed description of the Port Aransas-Corpus Christi Waterway is given in Exhibit A in the appendix of this report.

PREVIOUS AUTHORIZATIONS

Authorizations prior to the most recent authorization by the 85th Congress, 2nd Session (HD No. 1894) are enumerated in Exhibit A in the appendix of this report. Substantially all of the work authorized by previous Congresses is now complete.

IMPROVEMENTS RECOMMENDED BY DISTRICT AND DIVISION ENGINEERS, U.S. CORPS OF ENGINEERS

The reporting officers recommended the following modifications and improvements to the Port Aransas-Corpus Christi Waterway, Texas:

- A. Deepening the outer bar channel from 42 feet to 47 feet, and extending the channel to the 47-foot depth in the Gulf of Mexico, a distance of about 4.7 miles;
- b. Deepening the existing deep-draft waterway from 40 feet to 45 feet, which is a continuation of the outer bar channel through Corpus Christi Bay and terminating at the Viola turning basin, a distance of about 31.1 miles;
- c. Deepening the branch channel to LaQuinta, including the LaQuinta turning basin, from 36 feet to 45 feet, a distance of about 5.8 miles;
- d. Widening the main channel from 400 feet to 600 feet between the Inner Basin at Harbor Island and a point 1,000 feet east of the ferry landing at Port Aransas, and widening from 400 feet to 500 feet between that point and the junction of LaQuinta channel at mile 11.7;
- e. Widening the channel between Avery Point and the Chemical turning basin from 350 feet to 400 feet, a distance of about one mile; widening Tule Lake, Viola, and LaQuinta channels from 200 feet to 300 feet; widening the Chemical Tule Lake, Viola, and LaQuinta turning basins to provide minimum diameter turning areas of 1,200 feet; and enlarging the entrance to the Inner Basin from 600 to 730 feet;
- f. Realigning the Industrial Canal to a location about 25 feet northerly from its present alignment, and providing the existing Avery Point turning basin at the head of the Industrial Canal with a width of 975 feet;
- g. Constructing a turning point with a turning area diameter of 1,200 feet at the LaQuinta Channel Junction; and

h. Constructing mooring areas and dolphins at Port Ingleside, one mooring area and six dolphins to be constructed initially and a second area and seven additional dolphins to be constructed when required to meet the needs of navigation.

EVENTS WHICH HAVE OCCURRED SINCE PREPARATION OF THE DISTRICT ENGINEER'S REPORT

Several significant events have occurred since the District Engineer's report was prepared indicating the rapid and progressive nature of the developments that are occurring along the Port Aransas-Corpus Christi Waterway in the Corpus Christi Bay area. These events outlined below offer further justification for approving the modifications and improvements recommended by the District and Division Engineers, U.S. Corps of Engineers.

National Steel Company of Pittsburgh, Pennsylvania, the fourth largest steel company in the United States has announced that it has taken an option on a 3,500-acre tract which fronts on Corpus Christi Bay and is bounded by navigable waters on three sides. The tract is bounded by the LaQuinta channel on the west, the LaQuinta channel and Main Waterway on the south, and the Gulf Intracoastal Waterway on the east. Representatives of the company have been in contact with Corpus Christi interests for some months discussing the Company's requirements for water, natural gas, power, and port facilities.

Prior to taking this option, the Company's consulting geologist studied the site to determine the feasibility of it for a steel mill. Additional soil borings and tests have been made since taking the option which indicates that the foundation conditions are ideal for the heavy loads imposed by a basic steel plant.

The Steel Company expects to have the first unit of the plant in operation by January of 1972 if it proceeds with its plans. The first unit will produce 1,500,000 tons of steel annually. Most of the raw materials required will be received by water. Production of this quantity of steel will require 830,000 tons of scrap, 1,300,000 tons of iron ore (to come from South America, Africa and Australia) and 420,000 tons of flux, alloys, etc.—or an aggregate of 2,550,000 tons. In addition, it is estimated that about 60 per cent, or 900,000 tons of the finished products will move out by water.

The second unit of the plant, according to the Company's schedule is expected to begin operation in January of 1978. This unit will double the initial output of the plant and require twice the quantity of raw materials.

Plans are projected for two later expansions of the plant which will increase it's production to 6,000,000 tons annually.

The Company expects to use about 2,000 acres of the 3,500-acre tract for its plant. The remaining 1,500 acres will be made available for satellite industries that will produce additional waterborne commerce and traffic for the Corpus Christi Ship Channel.

The Company contemplates that, in addition to the docks on the LaQuinta and Main Channel, the 1¼ miles of the Gulf Intracoastal Waterway which fronts on the site will eventually require enlarging to ship channel dimensions with deep sea docks along it. The Navigation District has been contacted relative to its providing docks for this proposed development. This matter is under discussion with representatives of National Steel Company at this time. (See Exhibits B and C—Newspaper Clippings—in Appendix).

Southern Minerals Corporation will soon complete the construction and place in operation two new plants located about one half mile inland from the head of navigation at the Viola Turning Basin. Products from these plants will move by water using the public facilities of the Navigation District. (See Exhibit D—Newspaper Clippings—in Appendix).

The Navigation District has under construction a new deep sea oil terminal on the Tule Lake Channel which will be completed and placed in operation in November, 1968. The dock is designed to accommodate 67,000 DWT tankers having a draft of about 41 feet.

Other oil docks of the Navigation District constructed in recent years on the Viola and Tule Lake Channels have been designed for a 45 foot depth of water alongside the face of the dock.

The Navigation District has recently completed an enlargement of it's Bulk Materials Dock located on the Tule Lake Channel to accommodate larger vessels. Other expansions of this facility are planned as the needs arise. It is designed to accommodate vessels of 40 foot draft. (See Exhibit E—Newspaper Clipping—in Appendix).

Producers Grain Coop. is presently upgrading its Terminal Elevator dock to accommodate larger vessels. This present work will be completed in July 1968.

The Zenkoren Maru No. 1 is on a regular run between Producers Grain Corporation Terminal Elevator at Corpus Christi and Japan under a long term agreement to carry milo between the two countries. This vessel, the smallest of several planned for this service, has a length of 636 feet, a beam of 90 feet, a draft of 37'-0½" and a 39,299 Dead Weight Ton capacity. (See Exhibit F—Newspaper Clipping—in Appendix).

Suntide Refining Company—located at the Viola Turning Basin, the head of deepwater navigation—has had an almost continuous expansion program underway since the deepwater channel was completed to Viola, Texas in 1959. Plans have already been projected to double the capacity of the refinery and petrochemical plant during the next five years.

The most significant recent announcement has been the contemplated merger of Sun Oil Company and Sunray DX, the owner of Suntide Refining Company. In the merger, Suntide Refining Company will become part of Sun Oil Company's operations. For sometime the Sun Oil Company has been considering a major expansion program in South Texas which is even more ambitious than Suntide's plans. The merger of these companies, if approved, should result in a major increase in the movement of waterborne commerce from Corpus Christi in the ensuing years.

A large cooperative chemical company owned by four of the largest farm cooperatives in southeast United States is presently considering a site on the Port Aransas-Corpus Christi Waterway on which to construct an insecticide and pesticide chemical plant. Sites in both the LaQuinta and Viola Channels are being considered. The firm expects to make a decision shortly on its plans for expansion into the Corpus Christi area.

Another Farmers Coop, which is one of the largest fertilizer producers, expects to have representatives in Corpus Christi in July to inspect possible sites for a Corpus Christi terminal for the company.

Reynolds Metals Company is constructing a new bulk cargo vessel of 47,000 DWT capacity to transport bauxite to its plant located on the LaQuinta channel. Other vessels are planned as the present vessels are phased out and the demand for bauxite increases in the Sherwin plant located at LaQuinta, Texas. (See Exhibit G—letter & H & I—Newspaper Clippings in Appendix)

Sun Oil Company is constructing a large tanker to operate from its present terminal at Ingleside, Texas on the Port Aransas-Corpus Christi Waterway, and from the Viola Turning Basin when its merger with Sunray DX is finally approved. This vessel, which is expected to be in operation in the first quarter of 1969, will have a maximum draft of 43'-3". (See Exhibit J—letter—in Appendix)

Humble Oil and Refining Company have on order three 75,000 DWT tankers for delivery in mid 1969. One of these vessels will load dirty products at Harbor Island, Texas in the Port Aransas-Corpus Christi Waterway for delivery to the east coast. Another vessel is expected to be in clean service, and it is anticipated that it will lift products from the Inner Harbor at Corpus Christi as other vessels of Humble have done over the past twenty years. (See Exhibit K—letter—in Appendix)

RECOMMENDATIONS OF BOARD OF ENGINEERS FOR RIVERS AND HARBORS

The Board released the following statement May 21, 1968 when it recommended Congressional Authorization of modifications and improvements to the Port Aransas-Corpus Christi Waterway, as hereinafter described.

45-Foot Harbor Channels at Corpus Christi, Texas.—The Port Aransas-Corpus Christi Waterway consists of about 40 miles of deep-draft channels to the ports of Harbor Island, Ingleside, LaQuinta, and Corpus Christi. Commerce in the area is rapidly growing. The Corpus Christi area now includes some 12,500 producing oil wells, 6 refineries, 24 natural gasoline and cycling plants, an aluminum plant, grain storage facilities, and many other factories and developments. Channel depths now are generally about 40 feet.

In view of the rapidly increasing number of large tankers and bulk carriers calling at Corpus Christi, the Board recommends deepening many of the channels to 45 feet, and the construction of appurtenant supplementary works. The total estimated cost of the recommended work is \$20,682,000, of which local interests would pay \$1,640,000. The benefit-cost ratio is estimated at 4.8.

The specific recommendations of the Board include the modification of the existing navigation project for the Port Aransas-Corpus Christi Waterway, Texas, to provide for: deepening the outer bar channel to 47 feet and extending the channel to the 47-foot depth in the Gulf of Mexico, a distance of about 1.2 miles; deepening the remaining deep-draft portion of the waterway to 45 feet, including the LaQuinta channel and turning basin; widening the main channel to 600 feet between the Inner Basin at Harbor Island and a point 1,000 feet east of the ferry landing at Port Aransas, and widening to 500 feet between that point and the junction of LaQuinta channel at mile 11.7; widening the channel from Avery Point to the Chemical turning basin to 400 feet, and widening the Tule Lake, Viola, and LaQuinta channels to 300 feet; widening the Chemical, Tule Lake, Viola, and LaQuinta turning basins to provide minimum diameter turning areas of 1,200 feet; enlarging the entrance to the Inner Basin to 730 feet; realigning the Industrial Canal to a location 25 feet northerly from its present position, and widening the Avery Point turning basin at the head of the Industrial Canal to 975 feet; constructing a turning point with turning area diameter of 1,200 feet at the LaQuinta channel junction; constructing mooring areas and dolphins at Port Ingleside, one mooring area with 6 dolphins to be constructed initially and the second, with 7 dolphins to be constructed when required to meet the needs of navigation; easing of certain bends; and reducing the width of the entrance channel to Corpus Christi main turning basin, starting at a point 500 feet bayward from the Corpus Christi Harbor bridge from 400 feet to 300 feet, Corpus Christi main turning basin from 1,000 feet to 800 feet, and Avery Point turning basin from 1,000 feet to 975 feet; all generally in accordance with the plan of the District Engineer and with such modifications thereof as in the discretion of the Chief of Engineers may be advisable; at an estimated cost of \$20,682,000 for construction and \$150,800 annually for operation, maintenance, and replacements in addition to that now required, all exclusive of navigation aids: Provided that, prior to construction, local interests agree to—

A. Provide without cost to the United States all lands, easements, and rights-of-way required for construction and subsequent maintenance of the improvements and for aids to navigation upon request of the Chief of Engineers, including suitable areas determined by the Chief of Engineers to be required in the general public interest for initial and subsequent disposal of spoil, and also necessary retaining dikes, bulkheads, and embankments therefor or the costs of such retaining works;

B. Hold and save the United States free from damages due to the construction and subsequent maintenance of the proposed improvements;

C. Accomplish without cost to the United States all alterations of pipelines, power lines, cables, and other utility facilities, when and as required for construction of the improvements;

D. Provide and maintain without cost to the United States depths in berthing areas and local access channels serving the terminals commensurate with the depths provided in the related project areas; and

E. Establish regulations prohibiting discharge of pollutants into the waters of the improved channels by users thereof, which regulations shall be in accordance with applicable laws or regulations of Federal, State, and local authorities responsible for pollution prevention and control.

It is also recommended that the undredged northward extension of the Inner Basin at Harbor Island and the undredged west turnout (weye connection) between the LaQuinta channel and the main channel of the Port Aransas-Corpus Christi Waterway be deauthorized; and that the name of the Port Aransas-Corpus Christi Waterway, Texas project be changed to Corpus Christi Ship Channel, Texas.

PRESENT TRAFFIC AND COMMERCE

In 1926, the year that the Port Aransas-Corpus Christi Waterway and Port of Corpus Christi was opened to world trade, waterborne commerce and traffic totaled 6,170 tons and 17 sailings, respectively. By 1967, forty one (41) years later, the commerce had increased to *30,241,351 tons and *4,038 sailings respectively, indicating a continued growth and diversification of commerce. Over the last 10 years, the average annual increase in tonnage has been over 3.9 per cent. Annual waterborne commerce and traffic during the past ten years is shown in Table No. 1 on the following page of this report.

*Nueces County Navigation District No. 1 Statistics.

TABLE 1.—ANNUAL WATERBORNE COMMERCE AND TRAFFIC ON THE PORT ARANSAS-CORPUS CHRISTI WATERWAY

Year	Total water-borne commerce (short tons)	Total waterway traffic one way only ^{1 2}	Corpus Christi commerce (short tons) ³	Corpus Christi traffic (one way only) ^{1 2 3}
1958.....	21,744,814	3,033	16,460,662	2,513
1959.....	24,112,415	2,937	17,661,693	2,428
1960.....	24,840,443	2,978	19,183,254	2,563
1961.....	26,760,121	3,149	19,339,529	2,887
1962.....	26,118,418	2,551	18,118,523	2,317
1963.....	28,045,194	2,931	19,251,752	2,710
1964.....	29,587,146	3,041	19,246,323	2,778
1965.....	29,928,314	3,156	21,091,715	2,913
1966.....	29,059,996	3,754	22,464,636	3,098
1967.....	30,241,351	4,038	24,690,554	3,591

¹ Statistics of Nueces County Navigation District No. 1. All other statistics shown are those of the Corps of Engineers.

² Only vessels transporting cargo are included.

³ Corpus Christi commerce and traffic includes the inner harbor at Corpus Christi, and the harbors of Ingleside and LaQuinta, Tex.

ENDORSEMENTS BY STATE AND LOCAL AGENCIES

This project has been endorsed by the Texas Water Rights Commission, (See Exhibit L-letter-in Appendix), the Texas Water Development Board, (See Exhibit M-letter-in Appendix), and the Texas Parks and Wildlife Department (See Exhibit N-letter-in Appendix), the Texas Water Quality Board, (See Exhibit O-letter-in Appendix), and also by John Connally, Governor of Texas, subject to a subsequent state public hearing. (See Exhibit P-letter-in Appendix).

The project has also been endorsed by the City Council of the City of Corpus Christi, (See Exhibit Q-letter-in Appendix), the Commissioners Court of Nueces County, (See Exhibit R-letter-in Appendix), the Commissioners Court of San Patricio County, (See Exhibit S-letter-in Appendix), the Coastal Bend Regional Planning Commission, (See Exhibit T-letter-in Appendix), the Corpus Christi Chamber of Commerce (See Exhibit U-letter-in Appendix), and the Arkansas-Corpus Christi Pilots, (See Exhibit V-letter-in Appendix).

REQUESTS OF LOCAL INTERESTS

Nueces County Navigation District No. 1, a political subdivision of the State of Texas, respectfully requests that this Committee adopt the recommendations of the Board of Engineers for Rivers and Harbors and include the Corpus Christi Ship Channel project in it's recommendations to the House Public Works Committee for authorization in the pending Rivers and Harbors Omnibus Bill.

APPENDIX

- A. Description of Port Aransas-Corpus Christi Waterway.
- B. Newspaper Clipping regarding National Steel Corporation.
- C. Newspaper Clipping regarding National Steel Corporation.
- D. Newspaper Clipping regarding Southern Minerals Corporation.
- E. Newspaper Clipping regarding Japanese Shipbuilding Program.
- F. Newspaper Clipping regarding Japanese Ship Zenkoren Maru No. 1.
- G. Letter from Reynolds Metals Company.
- H. Newspaper Clippings regarding Reynolds Co. Ore Ship & World's largest Japanese Ship.
- I. Newspaper Clipping regarding Reynolds Co. Conveyor.
- J. Letter from Sun Oil Company.
- K. Letter from Humble Oil & Refining Company.
- L. Letter from Texas Water Rights Commission.
- M. Letter from Texas Water Development Board.
- N. Letter from Texas Parks and Wildlife Department.
- O. Letter from Texas Water Quality Board.
- P. Letter from John Connally, Governor of Texas.
- Q. Letter from City County of the City of Corpus Christi.
- R. Letter from Commissioners Court of Nueces County.
- S. Letter from Commissioners Court of San Patricio County.
- T. Letter from Coastal Bend Regional Planning Commission.
- U. Letter from Corpus Christi Chamber of Commerce.
- V. Letter from Aransas-Corpus Christi Pilots.

EXHIBIT "A"

PORT ARANSAS-CORPUS CHRISTI WATERWAY

*Description of Waterway**Deep Draft Main Channel to Corpus Christi, Texas*

The Port Aransas-Corpus Christi Waterway is located on the southern coast of Texas, 150 miles north of the Rio Grande River separating Texas and Mexico. The main channel extends from deep water in the Gulf of Mexico through a jettied entrance at Port Aransas, Texas, across Corpus Christi Bay to the west shore of Corpus Christi Bay, and along the south shore of Nueces Bay and the Nueces River Valley to Viola, Texas, a distance of 33.2 miles.

The outer bar channel is 700 feet wide and 42 feet deep. Between the outer bar and Inner Basin at Harbor Island, Texas, the channel reduces in width from 700 feet to 600 feet, but the depth remains the same as the outer bar channel. Across Corpus Christi Bay from Harbor Island to the Avery Point Turning Basin at Corpus Christi, Texas, the waterway has a minimum width of 400 feet and a depth of 40 feet. The Corpus Christi and Avery Point Turning Basins are each 1,000 feet wide. Between the Avery Point and Viola Turning Basins, the channel has a minimum width of 200 feet and a depth of 40 feet since dredging of the authorized 40 foot project was completed on September 30, 1965.

Deep Draft Branch Channels to La Quinta, Texas and Encinal Peninsula, Texas

In addition to the main channel to Corpus Christi, Texas, there are two deep water branch channels. The La Quinta Channel extends northwestward from Harbor City, Texas along the north shore of Corpus Christi Bay to La Quinta, Texas, where the docks of the Sherwin and San Patricio Plants of Reynolds Metals Company are located.

Extending in a southwesterly direction from the main channel near Harbor City, Texas across Corpus Christi Bay to the U.S. Naval Air Station and United States Army Transportation Aeronautical Depot Maintenance Center on the south shore of Corpus Christi Bay, is the Encinal Channel. These two branch channels have a combined length of 14.4 miles. The latter channel is presently on an inactive status.

Shallow Draft Branch Canals to Port Aransas and Aransas Pass, Texas

Two shallow draft canals extend from the main channel to Turtle Cove Harbor at Port Aransas, Texas and Conn Brown Harbor at Aransas Pass, Texas. A third shallow draft canal (Jewell Fulton Canal) extends from the La Quinta Channel to the head of navigation in Kinney Bayou near Old Ingleside, Texas.

The main channel of the Port Aransas-Corpus Christi Waterway between the junctions of the Lydia Ann and Encinal Channels is the alternate route of the Gulf Intracoastal Waterway, while the main channel between the junctions of the Aransas Pass alternate route and the Encinal Channel is the designated route of the Gulf Intracoastal Waterway between New Orleans, Louisiana and the Mexican Border.

Previous Authorizations

Subsequent modifications and improvements to the Port Aransas-Corpus Christi Waterway which have been authorized since the original report was submitted in 1922 (House Document No. 321, 67th Congress, 2nd Session) recommending the dredging of a deep water channel from the Gulf of Mexico across Corpus Christi Bay to Corpus Christi, Texas, are included in H. D. 214, 70th Congress, 1st Session—H. D. No. 9, 71st Congress, 1st Session—H. D. 130, 72nd Congress, 1st Session—H. D. No. 35, 72nd Congress, 1st Session—H. D. No. 40, 73rd Congress, 2nd Session—H. D. No. 13, 74th Congress, 1st Session—H. D. No. 63, 74th Congress, 1st Session—H. D. No. 574, 75th Congress, 3rd Session—H. D. No. 544, 78th Congress, 2nd Session—H. D. No. 560, 80th Congress, 2nd Session—H. D. No. 654, 81st Congress, 2nd Session—H. D. No. 89, 83rd Congress, 1st Session—H. D. No. 487, 83rd Congress, 2nd Session—Senate Document No. 33, 85th Congress, 1st Session—H. D. No. 361, 85th Congress, 2nd Session—and H. D. No. 1894, 85th Congress, 2nd Session.

STATUS OF AUTHORIZED PROJECTS

40 Foot Project

Dredging of the outer bar and jetty channels to a project depth of 42 feet, and the main channel and basins to a depth of 40 feet from Harbor Island to Viola,

Texas was completed on September 30, 1965. With the completion of this work, substantially all of the presently authorized improvements to the Port Aransas-Corpus Christi Waterway are complete.

PORT IMPROVEMENTS

Existing Docks

Five docks are located on Harbor Island, Texas and two docks near Harbor City, Texas. Along the Corpus Christi Turning Basin in the Inner Harbor are located fourteen dry cargo docks and five oil docks. Located on the Industrial Canal are five private docks for handling petroleum products, one grain loading dock serving the 5,600,000 bushel Public Grain Elevator, and one dock serving the Centex Cement Company. Four docks are located on the Avery Point Turning Basin and thirteen docks along the Tule Lake Channel. One of the thirteen docks serves Producers Grain Corporation's 6,500,000 bushel private terminal grain elevator. Improvements are presently being made to this dock. Presently, three public docks are located on the Viola Turning Basin, while three private docks with four berths are located on the La Quinta Channel and Turning Basin. Expenditures made by the Navigation District for Public Port Improvements between 1922 and December 31, 1967, totals \$45,844,945.

Docks Under Construction

Under construction by the Navigation District is one modern deep sea oil dock located on the south side of the Tule Lake Channel. It is designed to accommodate tankers of 75,000 DWT capacity. This dock, when completed in the fall of 1968, is estimated to cost \$500,000.

CONTRIBUTION BY LOCAL INTERESTS

Funds contributed by Local Interests for waterway improvements have been well in excess of any requirements of Congressional authorizations. Since the present waterway was authorized in 1922, Local Interests have contributed in excess of \$3,837,009 for dredging alone. This sum represents 21.5 percent of the total funds expended by the Federal government for new work dredging during the same period of time.

EXHIBIT B

[From the Houston Post, Mar. 22, 1968]

NATIONAL STEEL OBTAINS OPTION ON SITE

(By Gerald Egger)

The National Steel Corp of Pittsburgh has obtained options on some 3,000 acres in the Corpus Christi area as the possible site for a major steel mill, it was disclosed Thursday.

George B. Angevine, vice president-industrial relations and secretary of the big steel manufacturing firm, confirmed that his company has taken options on the acreage.

"If we decide to go ahead and buy the land, the options would probably be exercised before the end of the year," Angevine told the Houston Post. "The property would be purchased for a new steel mill."

Angevine said that National Steel "is still studying the project. This is a long-range thing, and, in fact, we might decide not to build on the site."

George A. Stinson, president of National Steel, has said that his firm is "seeking diversification by better geographical coverage through the expansion of our Midwest Division and by the acquisition of new steel plant sites in California and on the Gulf Coast."

Stinson also said that National Steel has been "studying the desirability of the possible expansion of our business into basic materials other than steel."

Angevine said that the property under option has frontage "on the water." The Corpus Christi area is now served by the Intercoastal Canal and other deep-water channels.

If National Steel decides to build an integrated steel mill at Corpus Christi, it will be the fourth major mill in Texas. The Armco Steel Corporation has a plant in Houston and the Lone Star Steel Co. has a facility in East Texas. The U.S. Steel Corp. has begun construction on a 160-inch plate mill near Baytown.

Stinson also said that National Steel plans to enlarge its Stran-Steel plant in Houston "to more than 550,000 square feet by mid-1969."

The new \$14 million manufacturing complex, which is being built on a 155-acre site fronting on Spencer Road, is being developed in three phases.

The first phase, which began in April of last year, "will bring 373,000 square feet of manufacturing space into production this summer," Stinson said. Phase III, which will increase the total to more than 800,000 square feet, "will be added as the market develops," he said.

The Stran-Steel plant will initially employ about 1,500 persons and have an annual payroll of \$7.5 million, Stinson says.

EXHIBIT C

[From the Corpus Christi Caller, Mar. 23, 1968]

NATIONAL STEEL CORP. OPTIONING LAND HERE

National Steel Corp. of Pittsburgh has obtained options on about 3,000 acres of land in this area as the possible site of a steel mill the Houston Post has reported.

If the firm decides to purchase the land it probably would do so before the end of the year, George B. Angevine, vice president of industrial relations and secretary of the corporation, told the Post. He said the project is still under study and the firm might decide not to purchase the land.

No site was specified but Angevine said the land has frontage on the water.

If National builds a steel mill here, it would be the fourth major steel mill in Texas. U.S. Steel has begun construction of a mill near Baytown, Armco Steel Corp. has a plant in Houston and Lone Star Steel Co. has a facility in East Texas. National has a Stran-Steel manufacturing plant under construction in Houston.

EXHIBIT D

SOMICO IS CONSTRUCTING TWO NEW PLANTS HERE

Southern Minerals Corp., a locally-based industry, is expanding its activities with construction of two new plants in the industrial district.

W. H. King, president, said this morning that SOMICO is building a gas processing plant that will process about 75 million cubic feet a day. In conjunction with this, a small refinery is being built primarily for the manufacture of jet fuel. It will initially process about 5,000 barrels a day, according to C. H. Paulette, manager of special projects.

The plants are being built on a 24-acre tract east of Suntide Refinery near Hearn and UpRiver Roads.

Paulette said the projects represent an investment of about \$2 million. They are expected to employ about 45 persons, he said.

Work on the new facilities has just begun. The refinery is scheduled to go into production in April and the gas plant on stream in July, King said.

King said that SOMICO has additional plans for further expansion of its activities in the Corpus Christi area but that he is not at liberty to discuss them at present.

King became president of SOMICO and moved here in June of last year as part of a reorganization move. SOMICO is affiliated with Southern Petroleum Corp. and Southern Pipe Line Corp. PPG Industries is the majority owner of SOMICO and its affiliates.

EXHIBIT E

[From the Corpus Christi Caller, Feb. 21, 1968]

JAPANESE LEAD IN SHIPBUILDING

AHEAD IN WORLD FOR SECOND YEAR IN ROW ; RECORD SET

LONDON.—For the second year running Japan continued to lead the rest of the world's shipbuilding nations in launching new merchant ships in 1967, Lloyds Register of Shipping reported Wednesday.

Out of a total world gross tonnage of 15,780,111 Japan accounted for 7,496,876, an increase of 811,415 over 1966.

The figures are a record both for world and Japanese shipbuilding. The Japanese share was 47.5 percent of the world's total.

Next in order came Sweden with 1,308,473 gross tons representing 8.3 percent of total world production. Britain with 1,297,678 tons (8.2 percent) and West Germany with 1,002,167 gross tons (6.4 percent).

France, Norway, Italy and Denmark followed, each with less than four percent of the world total.

Highest figure

Denmark reached its highest figure yet as did Spain, Poland and Finland lower down the scale.

Japan's output was more than double the tonnage it launched in 1964. It included 16 of the 23 ships launched in the world over 60,000 tons.

Japan also had the greatest output of fishing craft.

Sweden's output helped it regain second place in the world shipping league.

Britain's tonnage included the 58,000-ton passenger liner Queen Elizabeth II. Fifty-five percent of its total was for export—the highest since 1920.

Tonnage smaller

The tonnage of oil tankers launched during 1967 showed a decrease of 364,207 to a figure of 4,989,984. As a percentage of all ships launched this was decrease from 37.4 to 31.6 percent. In 1965 it was 44.1 percent.

Twenty-two of the 23 ships over 60,000 tons were oil tankers including the Japanese-built tankers Berge Commander (103,800 tons) and Bergehus (103,794 tons), the largest motorships ever built.

Output of bulk carrier tonnage rose from 3,713,392 tons in 1965 to 6,564,404 tons in 1967.

General cargo ships launched in 1967 totaled 2,768,121 tons—91,537 tons more than in 1966 and represented 17.5 percent of the total launched.

EXHIBIT F

[From the Corpus Christi Caller-Times, Feb. 18, 1968]

JAPANESE GRAIN IMPORTERS PLAN VISIT TO CITY

(By Timothy Donoghue)

Top officials from two huge Japanese firms, the Producers Grain Corporation, and state and federal agricultural agencies will be in Corpus Christi Friday to celebrate shipping the first load of \$8 million worth of milo included in a new export contract.

A reception will be held on board the Zenkoren Maru No. 1 at the Producers Grain Port Terminal Elevator Dock Friday at 3:30 p.m., preceding a banquet at the Driscoll Hotel.

The occasion will be marked by several "firsts" for the grain industry.

The export contract, which includes the sale of 200,000 tons of milo during the coming year by PGC to the Japanese farm cooperative Zenkoren, is the first and largest agreement of its kind ever signed by two farm cooperatives. It also represents the largest single sale of U.S. milo for export on record.

5.159 MILLION HOGS

A PGC spokesman said the 200,000 tons of milo included in the contract is actually only a small part of the total tonnage of sorghum used annually by Zenkoren. Future contracts between the two cooperatives could call for annual milo sales of more than a million tons.

With 4.5 million members, Zenkoren is the world's largest farm cooperative and the largest single cash customer abroad for U.S. grains. On Feb. 1, Zenkoren members were feeding 1.31 million dairy cattle; 1.577 beef cattle; 114.53 million laying hens; 21.92 million broilers and 5.159 million hogs.

The huge co-op now owns two bulk grain carriers, the Hagoroma Maru, a 37,000-ton vessel and the Zenkoren Maru No. 1, which will arrive in the Port of Corpus Christi on her maiden voyage Thursday. The latter ship is a 38,000-ton vessel. Two additional 46,000-ton vessels are being built for Zenkoren and are scheduled to carry their first loads of grain next year.

Employing 1,500 persons and maintaining permanent offices in New York City, Zenkoren does an annual business of more than \$1.2 billion.

In the past fiscal year, Zenkoren's used 35.5 per cent, or 1.1 million tons of the yellow corn imported into Japan, and 40.2 per cent, or nearly one million out of the 2.415 million tons of grain sorghum imported by Japan.

And in addition to feeds, the cooperative distributed 70 per cent of all the chemical fertilizers used in Japan last year and handled almost 50 per cent of the agricultural chemicals currently being used by Japanese farmers. It also supplies its members with farm machinery, fuel and oil, green house material, textiles, electric appliances and farm home necessities.

60,000 FARM FAMILIES

Producers Grain Corporation counts 60,000 farm families in its membership, living in Texas, New Mexico, Oklahoma, Kansas and Colorado.

Since it was organized in 1938, with 29 country elevators as initial members, PGC terminal elevator storage has grown to more than 33.476 million bushels. Its 119 member elevators have more than 90 million bushels of storage. The Producers Grain Port Terminal Elevator here has a capacity of more than 6.98 million bushels and is the largest terminal elevator owned by a farm cooperative on the Gulf Coast.

The PGC board of directors will be in Corpus Christi Wednesday for a board meeting at the elevator at 10 a.m. and a PGC advisory board meeting, which will include representatives of each of its member country elevators, will be in the Driscoll Hotel Thursday at 10 a.m.

In addition to Zenkoren and PGC officials, the reception and banquet Friday will include officials of the Mitsui Company, another huge and widely diversified Japanese firm, which holds the contract to build Zenkoren's new grain ships, and officials of the U.S. Department of Agriculture and the Texas Department of Agriculture.

EXHIBIT G

REYNOLDS METALS CO.,
Corpus Christi, Tex., May 1, 1968.

Subject: Deepening North Shore Channel to La Quinta, Part of the Port Aransas/Corpus Christi Waterway.

NUECES COUNTY NAVIGATION DISTRICT,
Corpus Christi, Tex.

GENTLEMEN: In accordance with your request, I am enclosing herewith detailed information about vessels used or scheduled to use the North Shore Channel to La Quinta. Of the vessels listed, the 47,000 tonner is under construction in the Howaldtswerke-Deutsche Werft yard in Hamburg, Germany. Contract calls for delivery on November 15, 1969, with heavy penalties for later delivery. I have enclosed a News Release furnished by Reynolds Metals Company to the press, and which appeared in newspapers throughout the United States at about the same time, announcing the construction contract for the 47,000 ton vessel.

Bids were received on the 27,000 ton vessel simultaneously with quotations on the larger vessel. However, changes in specifications are being made and various companies are expected to requote within the next two months. We are requesting delivery of the 27,000 ton vessel in mid-1970.

The remaining vessels are all operating either continuously or occasionally to the Sherwin Plant on the North Shore Channel to La Quinta.

You will note the drafts given are those applicable under the new International Loadline Regulations, effective in July of this year. At the present time the S.S. J. LOUIS and S.S. RICHARD are operating on a loaded draft of about 35-feet, with a deadweight of about 32,250 tons. You will, also, note that we have shown a maximum draft of 42-feet on the 47,000 ton vessel. However, vessel will not be able to load a full cargo of bauxite on this draft due to cubic limitations in the cargo holds. If the density of the bauxite should increase, the quantity of bauxite lifted would increase likewise.

Bauxite requirements annually, with the present capacity of the Sherwin Plant, is about 3,200,000 long tons. The present projection of the Company calls for this usage annually through the year 1972. Increases in capacity of the Plant have developed on the basis of units that consume between 600,000 and 700,000 tons of bauxite annually. With a continual expansion in the aluminum industry,

it is anticipated that in the mid-1970's an additional unit would be constructed, requiring additional bauxite for the Sherwin Plant in the amount of 600,000 to 700,000 tons of bauxite. Furthermore, we would anticipate that a similar increase would take place in the end of the 1970's or early 1980's.

In addition to the bauxite moving into the Sherwin Plant, there is about 400,000 tons of alumina being exported annually, and this will increase to about 600,000 tons in 1971/1972. The alumina will be moved out intermittently by all vessels except the 47,000 ton vessel.

Finally, we can advise that we are continually reviewing our ship construction program in order to update our fleet to meet the expanding requirements of Reynolds Metals Company. Some vessels in our fleet are approaching obsolescence and in order to fully realize economies in our operation, we must rebuild with larger vessels.

We trust that the foregoing gives you all of the information you requested in our conversation today; however, do not hesitate to call us if you desire more detail.

Yours very truly,

D. B. Wood, *Manager, Marine Division.*

MAIN DIMENSIONS OF VESSELS USING LA QUINTA CHANNEL

Vessel	Length		Beam		Depth		Maximum mean draft		Maximum deadweight
	Ft.	In.	Ft.	In.	Ft.	In.	Ft.	In.	
47,000-ton vessel ¹	734	9	102	0	57	6	42	0	50,940
27,000-ton vessel.....	597	6	84	0	48	0	36	0	27,340
SS J. Louis.....	669	6	90	0	51	0	37	1½	35,673
SS Richard.....	669	6	90	0	51	0	37	1½	35,845
SS Inger.....	626	0	75	0	43	9	31	6¾	23,509
SS Walter Rice.....	626	0	75	0	43	9	31	6¾	23,509
SS Louise.....	534	8½	70	0	40	9	31	10¾	18,028
SS Carl Schmedeman.....	518	0	66	4	37	5½	28	8	14,457

¹ This vessel will operate on 40 ft. draft and 47,435 tons deadweight.

² This will be the mean draft after July 1968.

NEWS FROM REYNOLDS METALS CO., PUBLIC RELATIONS STAFF, RICHMOND, VA.

RICHMOND, VA., January 4.—A 47,000-ton-capacity, self-unloading ore ship has been ordered by Caribbean Steamship Company, a subsidiary of Reynolds Metals Company.

Plans for the new vessel, which will be the largest in the company's fleet, were announced by Walter L. Rice, president of Caribbean and vice president of Reynolds.

The contract with Deutsche Werft, Hamburg, West Germany, calls for delivery in November, 1969. The largest vessels currently used by Caribbean are the sister ships, S.S. Richard and S.S. J. Louis, both with 32,000-ton capacities.

The vessel is designed to self-discharge her cargo of bauxite ore at a rate of 2,000 long tons per hour at the docks of Reynolds Sherwin alumina plant, Corpus Christi, Texas.

Mr. Rice said the ship will be used in various trades, including the transportation of bauxite from Jamaica to Corpus Christi.

Making a Jamaica-Corpus Christi roundtrip about every eight days, she will be able to move nearly two million tons of bauxite annually.

Reynolds has previously announced plans for expansion of its Jamaica mining operation and an expansion has recently been completed to increase the Sherwin plant's daily production of alumina to 3,000 tons per day.

The new vessel will be 734 feet overall with a 102-foot beam. A geared turbine propulsion plant of 18,000 horsepower will provide a speed of 16.7 knots.

Aluminum will be used extensively throughout the steel-hulled ship. The pilot house, internal sheathing, side ports and other items such as hatch covers and lifeboats will be aluminum.

Designed for quick, clean discharge of ore, the new ship will have a bow thruster which will assist in docking and undocking. Plans are being studied for alterations to the current Sherwin plant dock facilities to handle the new ship.

EXHIBIT H

SELF-UNLOADING

REYNOLDS BUYS NEW ORE SHIP

Reynolds Metals Co. has purchased a 47,000-ton-capacity self-unloading ore ship, which will be used to haul bauxite from Jamaica to Corpus Christi.

The new ship, which will be the largest in the company's fleet, is to be delivered in November, 1969, by Deutsche Werft of Hamburg, West Germany. She will make the Jamaica to Corpus Christi round trip about every eight days and move nearly two million tons of bauxite annually.

Plans are being studied for alterations to the Reynolds Sherwin Plant dock facilities here to handle the ship, which is designed to self-discharge her cargo of ore at a rate of 2,000 long tons an hour.

The vessel is a major reason for expansion of the Jamaica mining facilities and a future increase in production of alumina to 3,000 tons a day at the Sherwin plant, according to a company spokesman.

EXHIBIT I

CONVEYOR WILL ASSIST REYNOLDS

RICHMOND, VA.—Reynolds Jamaica Mines, Ltd., has completed a new bauxite handling facility in Jamaica which will enable the company to increase shipments as needed to keep pace with the demand of an expanding aluminum market, Walter L. Rice, president, said Monday.

(Most of the bauxite from Jamaica is used at Reynolds' two plants in Corpus Christi.)

A 6½-mile covered conveyor system capable of moving more than 15,000 tons a day has replaced two overhead tramlines transversing the hilly terrain between the Reynolds mines and the company port facilities at Ocho Rios.

Rice said, "These new facilities make our operations in Jamaica more flexible in meeting the demand for ore."

He said Reynolds pioneered the mining of bauxite in Jamaica, now the world's leading source, and developed a process to produce aluminum from the high-iron-content ore.

The company started using the tramway system in 1952.

EXHIBIT J

MAY 2, 1968.

NAVIGATION DISTRICT,
Nueces County,
Corpus Christi, Tex.

GENTLEMEN: In accordance with your telephone request, I furnish you with the following information on large Sun Oil Company vessels now operating or planned to operate in the Port Aransas-Corpus Christi Waterway in the near future:

Presently, the SS PENNSYLVANIA SUN and the SS TEXAS SUN operate in the above waterway. Their dimensions:

Length overall: 745 ft.

Beam: 102 ft.

Loaded S. W. draft: 39' 08¾"

Loaded F. W. draft: 40' 07¾"

Deadweight tonnage: 51,724 long tons

Construction has started on another vessel whose principal dimensions are:

Length overall: 818 ft.

Beam: 125 ft.

Loaded S. W. draft: 43' 03"

Approx. loaded F. W. draft: 44' 03"

Deadweight tonnage: 80,000 long tons

Acquisition of the Suntime Refinery at Corpus Christi by this Company through a proposed merger is anticipated. Should this become a reality, activity

of the above vessels in the Corpus Christi harbor area would increase considerably.

The Sun Oil Company concurs with the recommendations of the District Engineer to (a) deepen the outer bar channel from 42' to 47' and extend the channel to the 47 foot depth in the Gulf of Mexico, a distance of about 4.7 miles. (b) Deepen the existing deep draft waterway from 40' to 45' through Corpus Christi Bay and terminating at the Viola turning basin, a distance of about 31.1 miles. (c) Deepen the branch channel to Laquinta, including the Laquinta turning basin, from 36' to 45'. (d) Widen the main channel from 400' to 600' between the inner basin at Harbor Island and a point 1000' east of the ferry landing at Port Aransas and widening from 400' to 500' between that point and the junction of Laquinta channel at mile 11.7. (e) Widen the channel between Avery Point and the Chemical turning basin from 350' to 400'; widen Tule Lake, Viola, and Laquinta channels from 200' to 300'; widen the Chemical, Tule Lake, Viola, and Laquinta turning basins to 1200' and enlarge the entrance to the Inner Basin from 600' to 730'. (f) Realign the Industrial Canal and provide the Avery Point turning basin with a width of 975'. (g) Construct a turning basin with a diameter of 1200' at the Laquinta junction. (h) Construct mooring areas and dolphins at Port Ingleside as recommended.

Should additional information be desired, I will be pleased to forward it to you.

Very truly yours,

SUN OIL Co.,
J. Y. S.,
Assistant Port Captain.

MAY 3, 1968.

NAVIGATION DISTRICT,
Nueces County,
Corpus Christi, Tex.
(Attention Mr. Duane Orr).

GENTLEMEN: Pursuant to my recent correspondence regarding the deepening of the Port Aransas-Corpus Christi waterway and other improvements to the area, I wish to include that presently a study is being made by ten major oil companies to determine the feasibility of a deep water terminal in the Delaware Bay area.

The above terminal would be designed to take vessels of up to 65 feet draft. Both foreign and domestic crudes would be handled.

Consequently, a terminal of this capability would offer no restriction to leading vessels to the limits of the proposed improved Corpus Christi Channel.

Very truly yours,

SUN OIL Co.,
J. S.,
Assistant Port Captain.

SUN OIL Co.,
Marcus Hook, Pa., December 11, 1967.

MR. DUANE ORR,
District Engineer,
Nueces County Navigation District,
Corpus Christi, Tex.

DEAR SIR: Our Mr. E. T. Smith phoned this office and asked that we forward to you the specifications of the proposed vessel we are going to build. As it stands now this ship should be in operation by the first quarter of 1969.

LOA: 811'0"
LBP: 765'0"
Beam: 125'0"
Depth: 57'0"
Draft Max.: 43'3"
Max. SHP: 24,000

The vessel is intended to carry crude from Sun Station, Texas or Ingleside, Texas and north of Hatteras.

Very truly yours,

SUN OIL Co.,
Port Captain.

EXHIBIT K

HUMBLE OIL & REFINING CO.,
Houston, Tex., December 13, 1967.

Re channel improvements, Harbor Island Terminal.

Mr. DUANE ORR,
District Engineer, Corpus Christi Navigation District,
Corpus Christi, Tex.

DEAR MR. ORR: Your request to Mr. Leigh H. Cox, Jr., Manager of Corpus Christi District of Humble Pipe Line Company for information which would show justification for deepening the channel serving the Corpus Christi Navigation District to 45', together with specific questions on Humble's Harbor Island operation, was referred to us.

Humble's Marine Department has three 75,000 DWT tankers on order for delivery in 1969. One of these tankers will be assigned to dirty service immediately and is scheduled to load crude at Harbor Island in Mid-1969. Humble has also from time to time lifted clean products (motor gasoline and distillate) by tanker from refineries located on the Port Aransas/Corpus Christi Waterway. Deepening this channel to 45' will allow our 75,000 DWT Tankers to be fully loaded (42' 6" draft) in the Corpus Christi/Harbor Island area. Humble's Marine Department is currently updating the material originally submitted in 1965 to the American Merchants Marine Institute in support of this project. The specific questions you asked, together with our answers, are as follows:

1. The attached table shows Humble's tonnage for years 1959-1965. What was tonnage for years 1955-1958?

Answer. Both Humble Pipe Line's Accounting and Humble's Marine Department have 6-year retention dates on files. The data requested for years 1955 through 1958, therefore, are not available.

2. Over the past ten years, the tonnage has dropped. Is there an explanation for the reduction, such as new pipelines or changes in crude requirements?

Answer. Humble's Harbor Island tonnage increased from 1.8 M ST/Year in 1959 to 3.6 M ST/Year in 1963 then decreased slightly to 3.2 M ST/Year in 1965. Our tonnage increased to 4.2 M ST/Year in 1966 and is indicated to be about 3.3 M ST/Year in 1967. In previous years, some crude was shipped to our Baytown Refinery, but we now ship crude out of Harbor Island to our Bayway Refinery only. We placed into operation a 16" pipeline from Harbor Island to Baytown in December, 1966. This accounts for the reduction for 1967.

3. Would it be possible to estimate the tonnages to be shipped from Harbor Island over the next few years?

Answer. We estimate the shipment of crude from Harbor Island to our Bayway Refinery will be 2.1 M ST/Year in 1968 and 2.4 M ST/Year in 1969. Forecasts for future years are not firm at the present time but are estimated to increase 10%/Year.

If we can be of further assistance, please let us know.

Very truly yours,

R. R. DIE.

EXHIBIT L

TEXAS WATER RIGHTS COMMISSION,
Austin, Tex., June 11, 1968.

Hon. JOHN CONNALLY,
Governor of Texas,
Austin, Tex.

(Attention Mr. Terrell Blodgett).

DEAR GOVERNOR CONNALLY: This will acknowledge receipt of your letter transmitting a copy of the Corps of Engineers report on the recommended improvements to the Port Aransas Corpus Christi Waterway. The Texas Water Rights Commission has scheduled a public hearing on the proposed improvements on July 2, 1968.

I am advised that the Water Development Board, the Water Quality Board, and the Parks and Wildlife Commission concur in the proposed improvements to the Port Aransas Corpus Christi Waterway. The Water Rights Commission concurs, and, unless information is presented at the public hearing which shows that the project is not in the public interest, the Commission will recommend to you that the project be approved.

Very truly yours,

F. R. BOOTH.

EXHIBIT M

JUNE 13, 1968.

HON. JOHN CONNALLY,
Governor of the State of Texas,
Austin, Tex.

DEAR GOVERNOR CONNALLY: The Board has received a copy of the Corps of Engineers report recommending improvements to the Port Aransas-Corpus Christi waterway which was transmitted to you with General Cassidy's letter of May 31, 1968.

Our staff has been aware of the results of the study for some time, and is currently preparing detailed comments on the report to provide to the Texas Water Rights Commission. Our staff review indicates the proposed improvements to be feasible and in the public interest. We recommend your favorable consideration of the project.

Sincerely,

HOWARD B. BOSWELL.

EXHIBIT N

TEXAS PARKS AND WILDLIFE DEPARTMENT,
Austin, Tex., June 12, 1968.

HON. JOHN CONNALLY,
Governor of Texas,
Austin, Tex.

DEAR GOVERNOR CONNALLY: This is in reference to the Review of Reports on Port Aransas-Corpus Christi Waterway, Texas (45-Foot Project) which was transmitted to this Department by Mr. D. T. Graham, Chief, Engineering Division, Department of the Army, Corps of Engineers, by letter dated May 9, 1968.

This Department concurs with the opinion of the U.S. Fish and Wildlife Service as given on page 42 that "project damages to fish and wildlife habitat would be insignificant."

Yours sincerely,

J. R. SINGLETON, Executive Director.

EXHIBIT O

TEXAS WATER QUALITY BOARD,
Austin, Tex., June 14, 1968.

Re Port Aransas-Corpus Christi Waterway Project

HON. JOHN CONNALLY,
Governor of the State of Texas,
Austin, Tex.

(Attention Mr. Terrell Blodgett, Administrative Assistant).

DEAR GOVERNOR CONNALLY: The Port Aransas-Corpus Christi Waterway Project (45-foot project) by the Corps of Engineers has been reviewed by my engineering staff. We concur with the statement made on Page 23, Paragraphs 54 and 57, that there are no pronounced pollution problems and that an additional flushing system is not warranted at this time.

We are currently working with the industries and others, who are discharging into the channel, on upgrading effluent quality so that pronounced pollution problems do not develop. As more development occurs and traffic increases, it is possible for flushing and/or other systems of water quality control to become necessary.

With the increased traffic that will result from this project, wastes from watercraft would tend to cause problems. This aspect of water quality should not be overlooked. The discharge of sewage, oil, bilge, and ballast waters will contribute to the pollution of the area waters, thereby affecting aquatic life and discoloring vessels, piers, docks, etc. Therefore, we would encourage the appropriate local authorities to adopt and/or establish regulations that would regulate the discharge of pollutants from watercraft into these waters. This is a matter of interest to both the state and local authorities, and in the absence of local action, this agency would expect to take appropriate action in this

regard. This relates to the recommendation of Paragraph 103, Page 46, Sub-paragraph e, of the report.

If I can be of additional assistance, please let me know.

Respectfully,

HUGH C. YANTIS, Jr., *Executive Director.*

EXHIBIT P

GOVERNOR OF TEXAS,
June 14, 1968.

Lt. Gen. WM. F. CASSIDY,
Chief of Engineers, Department of the Army,
Washington, D.C.

DEAR GENERAL CASSIDY: This will acknowledge receipt of your letter of May 31, 1968 transmitting a copy of the Corps of Engineers report on the recommended improvements to the Port Aransas-Corpus Christi waterway. You have requested comments of this office. This report has been transmitted to the appropriate state agencies for their comments and scheduling of a public hearing on the proposed improvements as required by State Law. The public hearing will be held on July 2, 1968.

I have been advised that the state agencies concur in the proposed improvements to the Port Aransas-Corpus Christi waterway, and unless information is presented at the public hearing which shows that the project is not in the public interest, I intend to approve the report and recommend that the project be authorized following the public hearing.

With kindest regards,

Sincerely,

JOHN CONNALLY.

EXHIBIT Q

CITY OF CORPUS CHRISTI, TEX.,
June 19, 1968.

CHAIRMAN OF PUBLIC WORKS SUBCOMMITTEE,
House of Representatives,
Washington, D.C.

DEAR SIR: The City of Corpus Christi has been intensely interested in the improvements to the Port Aransas-Corpus Christi Waterway and the Port of Corpus Christi.

The City appeared at hearings before the District Army Engineer on April 21, 1961 and March 10, 1964 favoring and urging proposed improvements to this waterway.

The City Council at its meeting on June 19, 1968 reaffirmed its support of the proposed improvements and wholeheartedly endorsed the recommendations made by the Board of Engineers for Rivers and Harbors.

Sincerely,

R. MARVIN TOWNSEND, *City Manager.*

EXHIBIT R

COUNTY OF NUECES,
Corpus Christi, Tex., June 19, 1968.

THE CHAIRMAN,
House Public Works Subcommittee, Washington, D.C.

DEAR SIR: The Commissioners' Court of Nueces County, Texas, has authorized me to say that it endorses the recommendation of the Board of Engineers for rivers and harbors in connection with the improvement and modification of the Port Aransas-Corpus Christi waterway, and urges your committee to recommend the project for inclusion in the current omnibus bill.

Very truly yours,

NOAH KENNEDY, Jr.,
County Judge.

EXHIBIT S

SAN PATRICIO COUNTY,
Sinton, Tex., June 18, 1968.

CHAIRMAN OF THE HOUSE PUBLIC WORKS SUBCOMMITTEE,
House of Representatives, Washington, D.C.

GENTLEMEN: The Commissioners' Court of San Patricio County has been advised of the hearing which is to be held in connection with the improvements to the Port Aransas-Corpus Christi water ways. These improvements are recommended by the Board of Engineers for rivers and harbors. The Commissioners' Court wishes to go on record in support of the project containing these improvements. These improvements will be of substantial benefit to present and future developments in San Patricio County. We, therefore, urge your approval of this project and request that you recommend it to the House Public Works Committee for authorization in the omnibus bill.

Respectfully submitted.

WILLIAM A. SCHMIDT.

EXHIBIT T

COASTAL BEND REGIONAL PLANNING COMMISSION,
Corpus Christi, Tex., June 18, 1968.

Mr. DUANE ORR,
Director of Industrial Developments and Port Planning,
Corpus Christi, Tex.

DEAR DUANE: I am very pleased to submit a conformed copy of the resolution passed by unanimous vote of the Coastal Bend Regional Planning Commission, its twelve member counties and their city representation, at its monthly meeting in Falfurrias, Texas on June 14, 1968.

The Coastal Bend Regional Planning Commission, in its function as the area-wide planning organization for review and commend under Section 204 considers this undertaking as one of the most important ventures that could be fulfilled because of its far-reaching economic and employment impact upon the Region as a whole.

If we may be of assistance in any form, may we anticipate your request.

Cordially,

LON R. STARKE, Executive Director.

RESOLUTION GA-68-26, NUECES COUNTY NAVIGATION DISTRICT: PORT ARANSAS-CORPUS CHRISTI WATERWAY

Whereas, the Nueces County Navigation District has requested congressional approval for the deepening of the Port Aransas-Corpus Christi Waterway and the construction of appurtenant supplementary works at an estimated cost of \$20,-682,000 and, the Coastal Bend Regional Planning Commission finding this request to be consistent with the long-range plans for the growth and development of the Coastal Bend Region, at a meeting on June 14, 1968, a quorum being present, upon motion by Judge Parr, seconded by Judge Knight, and passed unanimously, it was resolved, to-wit: Now, therefore, be it

Resolved, The Coastal Bend Regional Planning Commission enthusiastically supports this project and strongly urges that it be approved and that the construction and expansion of these very vital facilities be prosecuted as expeditiously as possible for the continued physical and economic growth of the Coastal Bend Region and the State of Texas.

Chairman.

Attest:

HECTOR DE PENA,
Secretary.

EXHIBIT U

CORPUS CHRISTI CHAMBER OF COMMERCE,
Corpus Christi, Tex., June 20, 1968.

THE CHAIRMAN,
House Public, Works Subcommittee, Washington, D.C.

DEAR SIR: Since 1961, when the first hearings was conducted on the currently-proposed improvement and modification of the Port Aransas-Corpus Christi

waterway, the Corpus Christi Chamber of Commerce has consistently endorsed the proposal.

We now endorse the recommendation of the Board of Engineers for rivers and harbors, which includes improvements that will contribute substantially to the commercial and industrial development of the entire Corpus Christi area.

Your approval of the Port Aransas-Corpus Christi waterway project for inclusion in the current omnibus bill is urgently requested.

Sincerely,

JAMES T. DENTON, Jr., *President.*

EXHIBIT V

ARANSAS-CORPUS CHRISTI PILOTS,
Port Aransas, Tex., June 19, 1968.

TEXAS WATER RIGHTS COMMISSION,
Austin, Tex.

GENTLEMEN: The Aransas-Corpus Christi Pilots give their full support to the proposed enlargement of Port Aransas-Corpus Christi Waterway as prepared by the United States Army Corps of Engineers.

We feel that the project is justified, not only for the future needs, but for the present traffic, which, on several occasions, has departed with short loads due to limited draft. Two of the United States vessels involved were the S/T *Western Hunter* and S/T *Manhattan*.

The Port Aransas-Corpus Christi Waterway has the following features which warrant the enlargement:

1. The channel entrance is closer to the deep water than any other port in the Gulf of Mexico.
2. It has pure salt water loading at all berths (thus making it possible to load more cargo due to extra buoyancy).
3. It is a bulk cargo port.
4. It is the most centrally located port on the Texas Coast, therefore, the entire State of Texas and its ports would benefit from the proposed enlargement of the waterway.

The East and West coast have their deep water ports but there is not a single port in the Gulf of Mexico to accommodate the present and future deep draft vessels. Therefore, we urge your support for the enlargement of the Port Aransas-Corpus Christi Waterway to keep our State competitive.

Yours truly,

Capt. FRED J. HERBERT,
President, Texas State Branch Pilots; Texas Trustee, American Pilots Association; President, Aransas-Corpus Christi Pilots.

COLORADO RIVER, TEX.

Mr. YOUNG. Mr. Chairman, I want to say you mentioned my service on this committee. It was certainly a wonderful experience on my part, the years I served on this committee, until I was demoted. The reason I say "demoted" is, anytime anybody moves from this committee to any other committee, it is a demotion and I want you to know it is a pleasure to be back here with you.

H.R. 16872—COLORADO RIVER, TEXAS

Mr. Chairman, this project, H.R. 16872, the Colorado River channel and jetty project, Matagorda County, Tex., is one that involves hurdles and I am so pleased that this committee through its members, was present after the devastating Hurricane Carla and more recently the Hurricane Beulah, and still more recently, the Hurricane Candy that just in the last few days went in on this project.

Mr. Chairman and members of the committee, I have submitted a brief written statement and I will confine myself to some very brief remarks.

This project is a project of the utmost urgency, not only from an economic standpoint, but from the standpoint of safety.

Now, the project is a relatively small one. It is a simple project. The interim report is here in Washington. It calls for an investment, initial investment, of something like \$11 million.

The Board of Rivers and Harbors has recommended certain modifications of the project, each of which will, as a matter of mechanical certainty, greatly enhance the benefits.

Now, there is a great Federal interest in this project and I want to say this to you and I have this supported by the exhibits attached to my brief written statement.

Recently, within the last month, the Federal Government has leased the first 750,000 acres immediately adjacent to this project in the Gulf of Mexico as the first increment of something like 8 million acres which will be leased in offshore land.

The Bureau of Land Management expects to receive something like \$200 million in lease bonuses for these leases.

The Federal Government has to date been paid for these leases more than \$600 million, right here in front of this small project, that will contribute so much to the efficiency, the economy, and the safety of its operation.

I am just appalled and shudder to think of what will happen in the operation of this Federal interest, offshore there when these hurricanes as they do, come up this coast and sometimes blow right up in these areas, as Candy did, and jeopardize this operation.

With this project, this production, this great activity, we will be within some 6 miles of a safe harbor. Without it they must travel many miles of open seas.

Now, I have a supporting letter which I have included as an exhibit in my statement from the president of the American Petroleum Institute. He advises in the next 5 years the major oil companies expect to drill more than 6,500 oil wells in the gulf, 350 of which they anticipate will be in this immediate vicinity and will be using this project.

In his letter he points out the safety features. Now, as Mr. Cramer pointed out a minute ago, what my problem is, in time, because if I have to wait 2 years for an authorization of this project, then I do not know what will happen out there with these activities and these hazardous conditions in these federally operated oil-producing areas.

The Governor of Texas, all of the Texas authorities, all have approved this and I most urgently request the committee to give its most careful consideration to it and with it I am sure that we will have a project that will be most beneficial and we will all be proud of.

Thank you, very much.

Mr. BLATNIK. Thank you for your very impressive statement. You have one problem on the mouth of the Colorado River, as you know. We still have a problem on getting the processing, which is a little behind.

Mr. YOUNG. That is true, Mr. Chairman. The Board did not have the benefit of this very recent Federal interest offshore there and I have every reason to believe the Board will move on this.

Mr. BLATNIK. That is correct.

Mr. WRIGHT. Mr. Chairman, may I say that I am very familiar with this project, because it has been explained to me in great detail by our colleague.

There is no question that the modifications recommended by the corps will enhance the economic feasibility. It is an economically feasible project already, but, by its very criteria, I would be very hopeful, as the gentleman has requested, that we authorize it.

Mr. YOUNG. I thank the gentleman. I might add, Mr. Chairman, that I have been authorized to say to the committee by responsible local authorities that they will assume whatever the Corps of Engineers feels is a just local cost sharing in this matter.

Mr. BLATNIK. Thank you, very much.

(The full, prepared statement of Mr. Young follows:)

STATEMENT OF JOHN YOUNG, MEMBER OF CONGRESS, BEFORE PUBLIC WORKS
COMMITTEE, RIVERS AND HARBORS SUBCOMMITTEE

Above reference is covered in an Interim Report from Galveston District Engineer to the Chief of the Corps, dated December 29, 1967. The report finds the project to be economically justified for immediate construction, and places b/c ratio at 1.3. The Board of Engineers for Rivers and Harbors has recommended return of the report to the District for certain modifications, *each of which will, as a matter of mathematical certainty, either drastically reduce the cost or substantially increase the benefits* (See Exhibit #1). The Chief is holding the report to effectuate the modification by addendum, but this cannot be done prior to marking up the Omnibus Bill. It is certain the final b/c ratio will exceed the report's original 1.3 to 1.

As this Committee well knows from on the ground surveys made by its members after Hurricane Beulah and Carla, the only place on the mid-Texas Coast where the Intra-Coastal Canal is fitted with locks is where it crosses the mouth of the Colorado River and thus is urgently needed for the navigational safety of hundreds of small craft of all descriptions operating in this area. Within the last few days Hurricane Candy struck this area of the coast emphasizing again the great need for the safe harbor which this project will provide.

The economic and emergency safety need for this project creates an urgency in which the Federal Government has a substantial interest. Last month the Federal Government leased 750,000 acres of off-shore oil leases immediately off-shore from Matagorda County as the first of an offering of 8 million acres. The Federal Bureau of Land Management expected to receive \$200 million for the initial offering (Exhibit #2), but the actual money received by the Government was \$600 million! American Petroleum Institute President Frank Ikard advises that the major oil companies expect to drill 6,500 wells in the Gulf in the next five years, and says that it is envisioned that possibly 350 wells may be drilled in the Matagorda-Galveston area (Exhibit #3).

The full report discloses many additional needs for the immediate realization of this project, and it has received the endorsement of Governor John Connally of Texas, the Texas Water Development Board, the Texas Water Rights Commission, the Texas Parks and Wildlife Department, the National Rivers and Harbors Congress (Exhibits #4 and #5), and many other local and state authorities.

The Committee is respectfully and urgently requested to include the Colorado River Channel and Jetty Project in the Omnibus Rivers and Harbors Authorization Bill with the proviso that there be *no construction funding until the project has been finally approved by the Secretary of the Army and all other interested Departments and Agencies of the government.*

It is anticipated that the Board of Rivers and Harbors Engineers will be moving this project upward, and that there will be comments by the Bureau of the Budget by the time the Omnibus Bill is marked up by the Committee.

EXHIBIT No. 1

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., June 21, 1968.

Hon. JOHN YOUNG,
House of Representatives,
Washington, D.C.

DEAR MR. YOUNG: This is in reply to your request for information on the Corps of Engineers' investigation of the mouth of the Colorado River in the vicinity of Matagorda, Texas.

The report of the Galveston District and Southwestern Division Engineers which recommended certain improvements at the mouth of the Colorado to provide for a shallow-draft navigation channel to the vicinity of Matagorda, as well as other purposes, was returned by the Board of Engineers for Rivers and Harbors because the Board believed the revisions necessary could best be accomplished in that manner. We have reviewed the matter with the staff of the Board of Engineers to ascertain the amount of revisions needed to adequately respond to the Board's concerns.

This office is in general agreement with the Board that the report did not adequately consider appropriate cost-sharing and local cooperation for the small-boat harbor aspects of the proposed improvement and that the navigation increment did not indicate a favorable benefit-cost ratio. There is also general agreement with the Board concerning the need to reformulate the plan of improvement, the need to modify the cost-sharing in accordance with current policy, and the desirability of re-scaling the physical improvements recommended. The following major steps are considered necessary to provide a report responsible to the points raised by the Board:

(1) Re-analyze the project related benefits to establish the level of commercial navigation, small-boat recreation, and other benefits which the proposed improvement could be expected to provide.

(2) Re-analyze the project design, particularly as it pertains to the jetties at the mouth, and prepare new cost estimates.

(3) Make a new allocation of costs to the various purposes recognizing these new costs and benefits.

(4) Make a new apportionment of project costs between the Federal Government and local interests based on current policy for commercial navigation and small-boat recreation projects.

(5) Accomplish coordination and secure a statement from local interests of their willingness to assume revised requirements of local cooperation.

The re-analysis of project related benefits is necessary to evaluate and credit the proposed improvement with those benefits from activities which could only be realized by its construction. This would consider potential new developments not previously considered which may be reasonably assured of realization. The re-analysis of project design considering suggestions that have been made concerning the jetties could have a significant effect upon the total cost of the proposal, especially since the jetties in the present plan have an estimated cost of nearly \$7,000,000 which represents about 70 percent of the cost.

The plan of improvement recommended by the District and Division Engineers in reports dated 29 December 1967 and 2 February 1968, respectively, had a benefit-cost ratio of 1.3. While the impact of the additional investigations and revisions upon the feasibility of improving the mouth of the Colorado River for shallow-draft navigation cannot be estimated in precise numerical terms until the studies have been made, a combination of the previously mentioned points would appear to improve the prospects for a favorable determination. Since the jetties represent a major part of project costs, as estimated by the Galveston District Engineer, any reduction in jetty length should reduce the initial project costs and proportionately reduce the annual charges. The re-analysis of project related benefits which would recognize potential new traffic, not previously considered, could result in additional navigation benefits being credited to the improvement. In summary, the further studies may lead to possible improvement of the economic feasibility of a navigation channel.

It is estimated that by accelerating the investigation and report preparation, it can be completed in about 7 months, however, funds are not presently available to initiate this work. The necessary investigations and revisions will be initiated and completed as rapidly as practicable after funds become available.

Sincerely yours,

GEORGE B. SHAFFER,
LTC, Corps of Engineers,
Assistant Director of Civil Works for Plains Divisions.

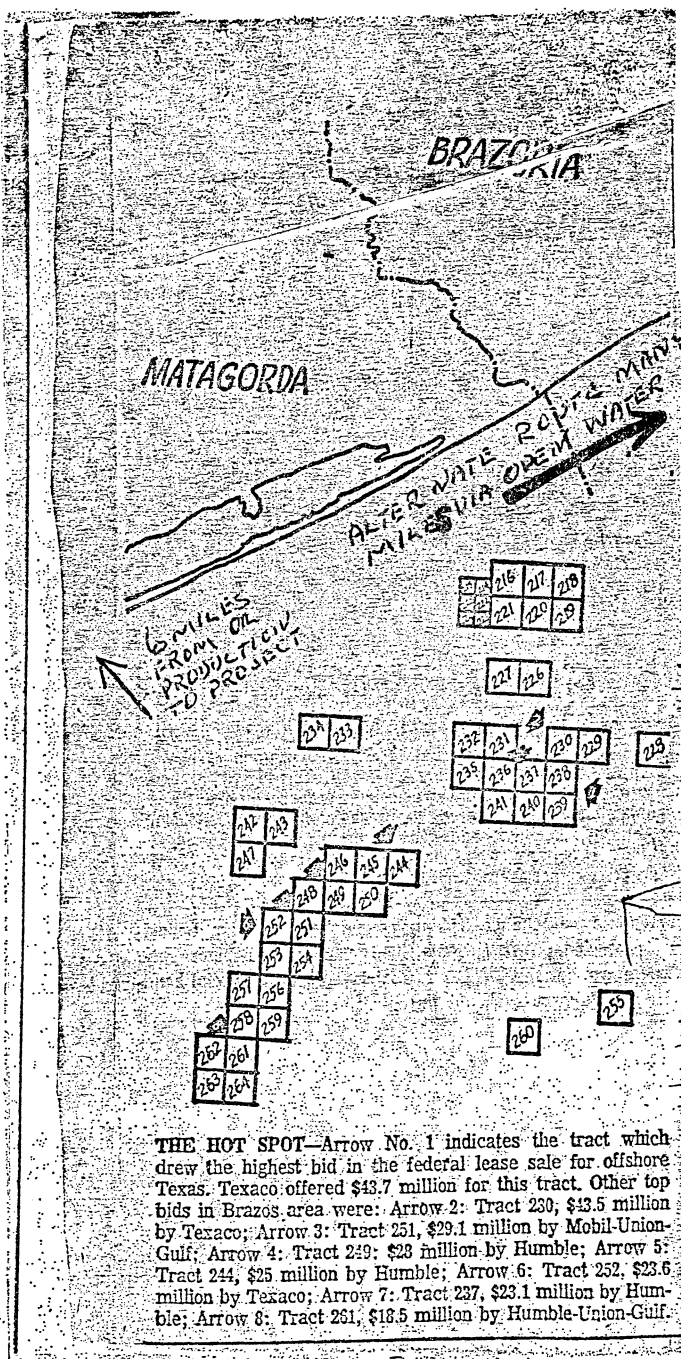


EXHIBIT No. 2

[From the Houston Chronicle, Houston, Tex., May 22, 1968]

TEXACO TOP OFFSHORE LEASE BIDDER

(By Tommy Thompson)

NEW ORLEANS.—Texaco Inc. and Humble Oil & Refining Co. were high bidders on 62.5 percent of the stunning \$602 million offered by oil companies for offshore oil and gas leases in federal waters along the Upper Texas Gulf Coast.

Texaco, biggest spender in the sale, bid high on 20 tracts for \$183,358,080, almost equalling the Interior Department's prediction of \$200 million it would receive for the entire 169 tracts offered here Tuesday.

Humble, the big buyer in February's Santa Barbara Channel sale in California, bid high on only four tracts outright, but offered a whopping \$88,335,360 for them. The California sale, which brought \$602.7 million, set the record for such offshore leasing.

Texaco and Humble teamed on seven tracts offering \$103,599,360 for them. Their combined total bids were \$375 million.

Industry sources said successful bidders would have to spend another \$1.5 billion to develop this rank wildcat area in the Gulf of Mexico.

Many oil men thought that the sale would go more or less according to what Shell Oil Co. did. As it turned out, things went just the opposite.

Shell, which spent \$101 million the federal lease sale for offshore Louisiana last June, made 26 bids Tuesday, and was successful on only one. Shell bought Tract 302 (This is Block 289 next to Shell's productive Buccaneer Field) for \$1.5 million. Only one other bid was received on this tract.

The ornate, mirror-walled grand ballroom of the Sheraton Charles Hotel was packed with about 500 oil men for the bid opening with little in the early going to indicate the bombshells that were to come.

Then the fifteenth bid, on Tract 230, was held for about 10 seconds by John Rankin, New Orleans manager for the Bureau of Land Management.

"The next bid is by Texaco for \$43,528,320," he said slowly, then added, "And I'm not kidding."

This tract is in the Brazos area, about 31 miles southeast of Galveston, which turned out to be the hot spot of the sale. The tract immediately south, Tract 238 (Block 541) later drew the high bid of the sale, \$43,787,520, also by Texaco.

This tract, 238, was the one that drew the most attention. The Mobil-Union of Cal.-Gulf combine bid \$36.2 million on it, while the Phillips-Dow-Champlin-Bass-Cox-Clark-American Petrofina combine went to \$21.2 million, Humble to \$22 million and Standard Oil of Texas and Pan American to \$15.7 million.

Tract 237, immediately to the west of Tract 238 and southeast of Tract 230, drew a high bid of \$23.1 million from Humble.

While the Brazos area was where the action was, with 8 of the top 10 bids in that area, Texaco and Humble didn't ignore the area off Stewart Beach in Galveston.

They teamed to bid \$41,529,600 on Tract 362 (Block 206 in the High Island area). Five other companies bid more than \$10 million on this tract which is northeast of four dry holes drilled by Shell in Blocks 236, 237, 258 and 259.

Tract 366, also off Galveston immediately south of 362, also made the top 10 in bidding as Texaco and Humble offered \$18 million for it.

Despite the fact that Interior threw in some quarter blocks of 1440 acres to give the smaller independent oilmen a chance, they had to bid high to compete.

The only independent to show considerable success was Forest Oil Corp. of San Antonio, which was high bidder on eight tracts, offering a total of \$30,447,-\$20.

While Texaco and Humble were picking off choice tracts for millions, Sun Oil Co. picked a formula and stuck with it, winding up as high bidder on 67 tracts covering 270,631 acres. Sun's total bids on this acreage was \$25,966,323.

The government does not have to accept any of the bids, and a crew of about 10 were burning the midnight oil here last night. A decision on the lower bids, most of which involve Sun's formula of \$129 per acre, will be made some time today.

Many oilmen felt that a percentage of Sun's bids would be thrown out, along with several other bids which were below what Interior feels is the minimum.

A missing signature on one high bid sent the 5760 acres in Tract 228 to the Superior Oil combine, which included Kerr-Mcgee, Transocean, Texas Eastern,

Ashland Oil, Highland Oil, General Crude and Canadian Superior. The Superior group was high bidder with \$11,628,691, with rejection of the unsigned bid.

The four previous federal sales in the Gulf offshore from Texas were in 1954, 1955, 1960 and 1962. They yielded only \$68.1 million for 105 tracts, an average of about \$140 an acre.

EXHIBIT No. 3

AMERICAN PETROLEUM INSTITUTE,
New York, N.Y., February 28, 1968.

Hon. JOHN YOUNG,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN YOUNG: This will confirm our recent conversation on the above named subject.

Approximately eight million acres in the Gulf of Mexico offshore from Texas are available for possible mineral lease by the Department of the Interior. Of this block, four million acres have been nominated for oil and gas lease. According to information from the Department of the Interior, of the four million acres, one million acres will be leased within the very near future. This property runs roughly from Matagorda north to Galveston.

As soon as the lease sale has been held, and the oil and gas leases have been granted by Interior, offshore drilling will begin in this area, and it is envisioned that possibly as many as 350 wells may be drilled in the Matagorda-Galveston area.

At the present time, the small amount of offshore drilling in the Matagorda area is being serviced from about 30 miles south of Matagorda, at Port O'Connor. Port O'Connor has a channel adequate to serve only as a hurricane shelter for a limited number of offshore drilling rigs, and as a take-off point for crew boats and supply boats for the drilling rigs operating in the vicinity.

However, with the leasing of the one million acres mentioned above, Port O'Connor would be inadequate for handling all the offshore drilling activities contemplated. Furthermore, Matagorda is much more accessible from Houston (from which supplies and materials for these offshore activities will be arriving) than Port O'Connor. It is estimated that of the 350 wells mentioned above, many of them will be drilled in the immediate vicinity of Matagorda, and a jetty in the area would afford a nearby shelter to these rigs during hurricanes.

I understand from those engaged in offshore drilling in the Gulf that the 12-foot channel and jetty as proposed is quite adequate for the uses to which they would be put, namely, for the use of crew boats and supply boats going to and from the offshore rigs, and for a hurricane shelter when the need arises.

Sincerely,

FRANK N. IKAED.

EXHIBIT No. 4

JUNE 14, 1968.

Hon. JOHN YOUNG,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN YOUNG: It has come to my attention that you will submit a bill recommending the Colorado River Jettys at the mouth of the Colorado River Discharge Channel in this year's omnibus bill. It is my understanding that the interim report by the District and Regional office of the U.S. Army Engineers carries a favorable report for this project.

I have been advised that the state agencies (Texas Water Development Board, the Texas Water Rights Commission, and the Texas Parks and Wildlife Department) concur in the proposed improvements, based on the preliminary field report.

This project certainly appears to be one which will produce great benefit to Texas, and I will lend my support to it in whatever way possible.

With best regards,

Sincerely,

JOHN CONNALLY.

EXHIBIT No. 5

MINNEAPOLIS, MINN., June 13, 1968.

Congressman JOHN YOUNG,
House of Representatives,
Washington, D.C.

DEAR MR. YOUNG: For your information, the Colorado River Yetty has the endorsement of the National Rivers and Harbors' Committee. If there is any further assistance I can give you to put this through, please let me know.

I would also appreciate your contacting Congressman Clark MacGregor, of Minnesota, as I feel that he will be glad to give you any help that you may need.

Sincerely,

AL HANSEN,
National Rivers and Harbors Congress.

Mr. BLATNIK. We will next hear from our distinguished colleague from Maryland, Congressman Machen.

POTOMAC RIVER, MALLOWS BAY-ABANDONED SHIP HULLS (H.R. 2402)

**STATEMENT OF HON. HERVEY G. MACHEN, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF MARYLAND**

Mr. MACHEN. Thank you, Mr. Chairman. I have a statement that I would like to submit for the record in connection with H.R. 2402, the authorization for the cleanup in the Potomac River.

The Corps of Engineers, the technical witnesses, will testify and I would like to just submit this for the record.

Mr. BLATNIK. Very well. Your statement will appear in the record at this point in its entirety.

(The full, prepared statement of Mr. Machen follows:)

STATEMENT OF REPRESENTATIVE HERVEY G. MACHEN, OF MARYLAND, ON H.R. 2402

Mr. Chairman and members of the Subcommittee, I am Hervey G. Machen and I represent Prince Georges and Charles Counties of the State of Maryland in the House of Representatives. I am appearing today on behalf of my bill, H.R. 2402, which I introduced on January 16, 1967, and which was referred to this Committee for consideration. I originally introduced this bill in the 89th Congress on July 22, 1965, as H.R. 10018.

The purpose of my legislation is to authorize and direct the Secretary of the Army to remove from the Potomac River and to destroy more than 100 abandoned World War I ship hulks now floating in Mallow's Bay in Charles County, Md. Each of these hulks is almost 300 feet long and they are made of wood. They were the remnants of a salvage operation and they are stripped clean of all metal. These hulks are in a semblance of a "corral" in Mallow's Bay and from time to time either a hull or a large piece of a hull will escape into the Potomac River posing a serious threat to the safety of water traffic.

Last year in the March 5, 1967, issue of the Sunday Star Magazine there was an article about these hulks. The writer, Mr. William Fuchs, said, "Today the hulks are not only unsightly, but they also have become a menace. The mud and gravel is spilling out of them; the pilings that once fenced them are deteriorating, leaving large gaps, and the ships themselves are decaying and breaking apart."

Mr. Chairman, these hulks have been held to be legally abandoned property in the Steinbraker v. Crouse decision of the Maryland Court of Appeals, January 15, 1936, a copy of which is attached to my testimony. This decision also includes a lengthy history of these hulks and I hope it will be included in the record. The court held that "actual abandonment" had occurred in that case. Thus we are faced with a situation where these hulks, although admittedly not in navigable waters nor in the channel of the river, are not owned by anybody and legally are not anyone's responsibility. If they were in the channel of the River the Corps of Engineers would act to remove them. If they were privately owned they probably would have been removed long ago. It has been my feeling for some time that there is a clear federal interest in the scenic quality of the Potomac

River and this has been affirmed by the President in his various statements on behalf of making the Potomac River a national river.

In addition, I feel some local responsibility because Mallow's Bay is Maryland State waters. So I have proposed legislation for a primarily federal removal program with financial participation by the State of Maryland. In reply to my request, Governor Agnew wrote me on August 16, 1967, of his support of my bill and stated that, "These hulls are indeed a blight on a great natural waterway and an occasional menace to navigation. In my judgment, the principal responsibility for eliminating this condition rests with the federal government, which has a measure of control over the vessels at the time they were sold. I can see also a degree of state responsibility in light of the benefits which would accrue upon removal. Therefore, I would look with favor upon federal action in this area and some degree of cost sharing by Maryland. It is upon this basis that I endorse H.R. 2402."

The report from the Secretary of the Army of February 9, 1968, on my bill recommends that section 2 authorizing him to receive a contribution from the state be deleted and add the phrase "Provided, That local interests shall contribute one-half of the cost of such work." I would interpret this to indicate participation by the State of Maryland. I have talked with the owner of the adjacent property in Mallow's Bay and he is agreeable to this recommendation by amendment. Therefore, I would support it.

I feel very strongly that this legislation should be enacted because of the serious threat these hulls pose to water traffic and because of the blight on the River they represent. There is no question that these hulls are a real eyesore and since we are to make the Potomac River a model for the nation, a goal which was stated several years ago by President Johnson, these hulls must be removed and destroyed.

Mr. Chairman, I request favorable consideration by the committee and I would be very grateful if the subcommittee could include my language along with the amendment recommended by the Secretary of the Army in the upcoming Rivers and Harbors Act of 1968.

Thank you for your time and consideration.

STEINBRAKER v. CROUSE

No. 46

COURT OF APPEALS OF MARYLAND, JAN. 15, 1936.

1. *Shipping* ⇨213

Salvage company which ceased salvaging scrap metals from its vessels submerged in bay, conveyed land used in connection therewith to itself under different name, sold equipment to outsiders, and for over two years permitted persons living near bay to procure and sell scrap from such vessels without compensation or permission, abandoned vessels, precluding its assignees from enjoining removal of scrap from vessels by those so engaged.

2. *Abandonment* ⇨2

Property is abandoned when owner walks off and leaves it with no intention to again claim it or exercise rights of ownership over it, and it then belongs to any one who takes possession of it.

3. *Navigable waters* ⇨36(1)

Interest of federal government in navigable waters extends only to control of waters over land and not to soil.

Appeal from Circuit Court, Charles County; Walter J. Mitchell, Judge.

Bill by Harry Steinbraker against Lorenzo D. Crouse. Decree for defendant, and plaintiff appeals.

Affirmed.

Argued before Bond, C. J., and Urner, Offutt, Parke, Sloan, Shehan, and Johnson, JJ.

Hilary W. Gans and Joseph T. Brennan, both of Baltimore (Brown & Brune, of Baltimore on the brief), for appellant.

Joseph A. Wilmer and John F. Mudd, both of La Plata (F. DeSales Mudd, of La Plata, and Ida Taxis Fox, of Washington, D.C., on the brief), for appellee.

Sloan, Judge.

⇨ For other cases see same topic and Key Number in all Key Number Digests and Indexes.

Harry Steinbraker, plaintiff and appellant, on December 22, 1934, filed his bill of complaint in the circuit court for Charles county, wherein he alleged that, by deed of assignment dated December 3, 1934, from the Potomac Realty Company, Limited, a body corporate of the state of Delaware (amended by agreement at the hearing to read "State of California"), recorded in Charles county, he had acquired "all the right, title, and interest of the said the Potomac Realty Company, Ltd., in and to all lead, copper, brass and other metal of whatever nature owned by it, or to which it has title in and around the hundred and sixty-nine (169) vessels, which said vessels were formerly owned by the Western Marine & Salvage Company, the said vessels being located in Mallow's Bay, near Sandy Point, in Charles county, Maryland"; that "a certain Lorenzo D. Crouse (appellee), his agents, servants and employees, disregarding the interests of" the plaintiff "in and to the lead, copper, brass and other materials contained in said vessels, * * * have entered upon and seized said vessels and are at present engaged in shipping and selling such metals to parties unknown to" the plaintiff; and that as a result of "such depredations" the "value and interest" of the plaintiff's "holding in said vessels and metal is being permanently injured." The bill prayed an injunction and an order passed as prayed.

The defendant answered denying that "the said Harry Steinbraker ever acquired any right, title or interest in and to the lead, copper, brass and other materials" mentioned in the bill of complaint and admitted that "he, his agents, servants and employees, have heretofore entered upon the sunken hulls of certain vessels mentioned in the bill and engaged in the removal, shipment and sale of certain materials salvaged therefrom, but deny that in so doing they committed any trespass, or disregarded any right, title or interest of the plaintiff for the reason that the materials taken by them were a part of the abandoned wreckage of certain ships that had therefore been dismantled, sunk and abandoned by the Western Marine & Salvage Company." Although the appellee, Lorenzo D. Crouse, was the only person named as defendant, this suit is really directed against numerous residents of Charles county, variously estimated by witnesses at from fifty to seventy-five, who had been engaged in the same business, on the same wreckage as the defendant. Testimony was taken in open court and the case submitted on bill, answer, and evidence, and at the conclusion and after an opinion, of which this is virtually an adoption, a decree was passed dissolving the injunction and dismissing the bill, from which the plaintiff appeals.

(1) According to the evidence, the Western Marine & Salvage Company, a Delaware corporation, on June 30, 1923, bought from one George D. Perry, of the city of San Francisco, Cal., 232 vessels, according to name, which had been the property of the government of the United States, the purpose of the purchase being to salvage, dismantle, and remove all portions of the vessels which might be marketable and then destroy the remains. One hundred and sixty-nine of the vessels so bought were floated to the Potomac river and anchored in Mallow's Bay, an indenture of the Potomac river opposite and almost surrounded by a farm known as Sandy Point in Charles county, in navigable, public waters.

By deed dated April 21, 1924, one Henry Koester conveyed to the Western Marine & Salvage Company the Sandy Point farm containing 566 $\frac{1}{4}$ acres. The Western Marine & Salvage Company then began its salvage operations after installing on the Sandy Point farm such machinery and equipment as was necessary to the operation. The method and scope of the operation was to remove all machinery, boilers, pipes, and engines, and to strip the vessels of all metal easily removable; the vessels were then towed into Mallow's Bay, where they were burned to the water's edge and then pulled as near to the shore as possible and the salvaging of metal continued until the spring of 1931. The Western Marine & Salvage Company stated in a letter to its attorney, Mr. E. Cortlandt Parker, of Washington, who represented it in its negotiations with the Potomac Realty Company and Steinbraker, that it had ceased operations in salvaging in May, 1932, but the evidence is that it had ceased operations the year before and only had watchmen at Sandy Point until the machinery and equipment on the shore was removed by the purchaser, and there is evidence that the public and the residents in the neighborhood began the removal of metal from the burned and sunken hulls without interference while the watchmen were there.

After the hulls were burned, the company continued its salvaging operations until in March, 1931, when, to all appearances, it abandoned the project, leaving a watchman in charge of the personal property on the Sandy Point farm, and he remained there until the summer of 1932. The Western Marine & Salvage Company apparently was a temporary corporation, formed for the purpose of wrecking and

salvaging all that it regarded as valuable and marketable of the 232 vessels purchased from the government through George D. Perry, one of the stockholders.

On the 24th day of July, 1925, the Western Marine & Salvage Company was granted a permit by the War Department of the government "to ground, burn and beach in Malloys Bay, Potomac River, about two hundred hulls." The details with respect to burning, removal, and the obstruction to navigation are all set out with such particularity that it would unnecessarily prolong this opinion to recite them. The time limit on this permit was December 31, 1928. The War Department, on January 3, 1931, granted another permit to the same company, wherein it was recited that application had been made "for authority to extend the area in Malloys Bay, Potomac river, now used for grounding, burning and beaching wooden hulls, two hundred (200) feet channelward." In that permit it was stated, "that if the structures or work herein authorized is not completed on or before the _____ day of December 31, 1931, this permit, if not previously revoked or specifically extended, shall cease and be null and void," and it appears from the evidence that no such permit or extension has since been granted, nor is there any evidence that an extension was since requested, and the evidence is that none was granted to any one since December 31, 1931.

The Western Marine & Salvage Company, by deed dated November 30, 1932, conveyed the Sandy Point farm to the Potomac Realty Company, Limited, a corporation of the state of California, without including or mentioning the remains of the burned and sunken hulls. In the month of December, 1932, the Western Marine & Salvage Company was dissolved, as stated in the letter of the Potomac Realty Company, Limited, to Mr. Parker, of December 22, 1934, "chiefly for the reason that at that time, under conditions then prevailing, and due to heavy overhead for maintaining the office and a large force of men, it was deemed too expensive to continue salvaging operations, and for the further reason that the stockholders of said salvage company at that time desired its dissolution in order that they might ascertain what loss had actually been sustained by them as stockholders in that company.

The stockholders did not at that time contemplate, nor have they at any time since then contemplated, abandoning these vessels, but as there were only three principals interested in this project who have been for many years and still are closely associated, they felt that if conditions again warranted any further salvaging they could do so in the nature of a joint venture without the formality of a corporate existence. In spite of the statement contained in this letter that they had not abandoned the burned wreckage, or contemplated returning, we find in the record sufficient evidence to justify the chancellor's conclusion that the burned and sunken hulls had been abandoned, and that this intention to not abandon was an afterthought, more than two years afterward, inspired by the plaintiff, a junk dealer, who had had dealings with the defendant and others so engaged and who saw the possibilities of a more favorable market.

[2] The rule of law with respect to abandoned property is very simple. Property is abandoned when the owner walks off and leaves it with no intention to again claim it or exercise rights of ownership over it; and when this is done, it belongs to any one who takes possession of it. With respect to real estate, it is not quite so simple, as the one entering must serve his time of prescription and possession before he can acquire a legal title. In the case of the abandonment of an easement, and this is the kind of most frequent occurrence, abandonment means reversion to the then owner of the fee. It is said in Brantly on Personal Property, § 133, that "he who takes possession, animo dominandi, of a thing which has been abandoned by the owner, immediately becomes the proprietor of it by occupancy. A thing is abandoned when the owner throws it away, or leaves it without custody because he no longer wishes to account it as his property; whence it follows that he ceases at once to be the owner. Both the intent to abandon and the fact of abandonment are necessary.

Whether property has been abandoned depends upon the intention of the party, the length of time during which the owner has been out of possession being only important as showing this intention." 1 R.C.L. 4; 1 C.J. p. 9. The rule in this state with respect to the abandonment of an easement is the same in principle as that just stated by Mr. Brantly concerning personal property. It was said by this court in *Vogler v. Geiss*, 51 Md. 407, 410, in an opinion by Judge Alvey: "It is now very well settled, by authorities of the highest character, that a party entitled to a right of way or other mere easement in the land of another may abandon and extinguish such right by acts in pais, and without deed or other writing. The act or acts relied on, however, to effect such result, must be of a decisive character; and

while a mere declaration of an intention to abandon will not alone be sufficient, the question, whether the act of the party entitled to the easement amounts to an abandonment or not, depends upon the intention with which it was done, and that is a subject for the consideration of the jury. A cesser of the use, coupled with any act clearly indicative of an intention to abandon the right, would have the same effect as an express release of the easement, without any reference whatever to time." *Stewart v. May*, 119 Md. 10, 19, 85 A. 957; *Canton Co. v. Baltimore & O. R. Co.*, 99 Md. 202, 218, 57 A. 637; *Russell v. Zimmerman*, 121 Md. 328, 334, 88 A. 337; *Greif v. Teas*, 156 Md. 284, 300, 144 A. 231.

[3] So far as this record shows, the Western Marine & Salvage Company was a temporary corporation, formed for the purpose of wrecking and salvaging all that it regarded as valuable, marketable, and profitable of the 232 vessels purchased from and discarded by the government of the United States. These wrecked hulls were not located on the property of the Western Marine & Salvage Company; they were in navigable waters, occupied by permission of the War Department, which expressly stated that the permit was subject to any other rights of the state or its citizens, public or personal. The vessels were located on land belonging to the state, to which the federal government disclaimed any intention of asserting title. The interest of that government extends only to control of the water over the land, not to the soil. 45 C.J. 538, 540; *Sollers v. Sollers*, 77 Md. 148, 151, 26 A. 188, 20 L.R.A. 94, 39 Am.St. Rep. 404. So long as it was engaged in the wrecking and junk business, it secured such permit. When the Western Company was through, in December, 1932, it was dissolved, after it had conveyed its land to the Potomac Realty Company, Limited, and sold its equipment, not to the Potomac Realty Company, the personnel of which was the same as the Western Marine & Salvage Company, but to the Boston Iron & Metal Company, which had no connection with the other companies. When the equipment was so sold, the Western Company was out of business so far as the salvage of these vessels was concerned. It was then when, to all appearances, the wrecking business of the Western Company was at an end that the people living in the neighborhood took this view of what they there saw and began to gather the junk remaining in the burned, submerged hulks, and sold it to junk dealers in and around Washington.

One of those so engaged was J. W. Cox, who lived in the neighborhood and who said, as stated in the record, he "was engaged in this work on his own initiative and was not employed by anyone to do it. He considered this was abandoned property because it had been lying in the water, some of it, for four or five years. He is no lawyer, but he had always heard that when a ship or anything of that kind was down and the tide rising and falling over it for a number of years it was abandoned property." He said there had not been a watchman there for two years. No one attempted to interfere with his work. Altogether, he said, there were about seventy-five people working there. Another witness who had been removing scrap metal from the vessels was James L. David, who went to the War Department to inquire whether any one had a permit to remove metal from the vessels. "I went to several different members, but they told me there didn't anybody want the thing. * * * Then I went back and went to work," removing and selling scrap from the sunken hulks. He said he had nothing else to do at that time and realized wages from his operations. He was "positive there were as many as fifty" working around there. On cross-examination he said his "reason for going there was because he understood it did not belong to anybody; everybody all over the community, from Washington and other places were going there and helping themselves and they explained that it did not belong to anybody and that it was free for anybody to partake of."

Preston Dent testified that he "went there and began to salvage without any authority from anyone, just because he heard that it was open and nobody had anything to do with it; that the salvage company had given it up and it had no more value to it. He had seen Mr. Steinbraker down there while witness was there but had no dealings with him. * * * Most of the wreckage is beneath the water but some parts are sticking above the surface. The wreckage is surrounded by water." He testified, that he had gone there in June, 1932, worked a short time and came back in August, 1934. In the interim the price of scrap was so low "it was barely worth getting." He owned a barge with which he made two trips to Washington with loads of seventy and eighty-five tons, which he sold for \$6 a ton.

Lorenzo D. Crouse, the defendant, had worked for the Western Marine & Salvage Company, which ceased operations in March, 1931. He "hooked on the last mast that was lying alongside the crane." After that the company kept a watchman until August, 1932, who "told me himself that he was placed there to keep anybody from removing any of the equipment that was on the beach." He understood from the workmen of the company that the ships were abandoned and "that they were quitting." He began the removal of lead, brass, copper, and scrap iron in September, 1932, and continued until the plaintiff, Steinbraker, undertook to buy the submerged hulls and had him enjoined. Most of his sales were to one, Sinclair, in shipments up to thirty tons. For the last sale to Sinclair, he was paid by the plaintiff, who, according to this record, was the ultimate purchaser of much of the metal sold by the local men to Sinclair, and some dealt with the plaintiff directly. There was much other evidence to the same effect from which it may be inferred that for over two years the wreckage had been abandoned so far as the community affected did or could know, and with this impression, under very great difficulties, anywhere from fifty to seventy-five persons had removed hundreds of tons of metal from these hulls and their principal customer was either Sinclair or Steinbraker, or both, and all without interruption or interference from the Western Marine & Salvage Company or any one interested in it, until Steinbraker, with the price of scrap metal rising, saw the possibilities in these burned, gutted, submerged vessels, and late in fall of 1934 he "called the Potomac Realty Company on the West Coast on the phone." This call resulted in the stockholders of the Western Marine & Salvage Company, by agreement dated December 1, 1934, assigning, releasing, and quitclaiming unto the Potomac Realty Company, Limited, all the "right, title or interest which they or any of them may have in and to all lead, copper, brass and/or other metals of whatsoever kind and nature located in or around each of the 169 vessels or hulls * * * situated in Mallow's Bay, near Sandy Point, Maryland." And by agreement of December 3, 1934, the Potomac Realty Company, Limited (of San Francisco, Cal.), assigned the same metals to the plaintiff, Harry Steinbraker, "as is, where is, if is, without any warranty of title whatsoever or otherwise." The price to be paid was \$2 per ton f. o. b. railroad cars, with a deposit of \$500 to be applied on the last payments due the purchaser. A bond of \$10,000 was required to guarantee noninterference with navigation.

In *Russell v. Stratton*, 201 Pa. 277, 278, 50 A. 975, it is said that abandonment is to be determined from a consideration of the property and the conduct of the plaintiff (in this case owner) in relation to it. *Fidelity-Phila. Trust Co. v. Lehigh Valley Coal Co.*, 294 Pa. 47, 143 A. 474, 479. What was said in the last-mentioned case (294 Pa. 47, 143 A. 474, 480), of an abandoned anthracite culm bank, which afterwards became valuable, in which the evidence almost duplicates the evidence here, applies to this case, and that is: "Inherent to possession is the right to exclusion; and, if through a duration of many years no act or attempted act of exclusion is exercised by a presumed possessor, and through all that time the thing, such as the culm bank here in question, is openly, freely, and continuously depleted, taken, and carried away in vast quantities, without compensation or permission asked, the intention, if it ever existed, to exclude others, has disappeared; and, when there never was, before and after these open appropriations, assertion of title or acts of dominion exercised, the conclusion is inevitable that the legal possession has been relinquished and the thing abandoned."

It requires no stretch of the imagination to believe from the evidence in this record that, if the plaintiff had not fastened his eyes on these hulls, the so-called "depredations" of the defendant and others in the vicinity of Mallow's Bay would have continued uninterruptedly to this day. The sequence of events from the time the stockholders of the Western Marine & Salvage Company conveyed the land from themselves to themselves under the name of the Potomac Realty Company, Limited, the sale of the equipment to outsiders the invasion for over two years of the wrecked and sunken vessels, and the continuous, uninterrupted, and open carrying away of the scrap therein, without compensation or permission asked, shows clearly, in our opinion, an intention to abandon and an actual abandonment, not to be recalled by the subsequent negotiations and agreement between the former owners and the plaintiff, and the decree of the chancellor should be affirmed.

Decree affirmed, with costs.

CHARLES T. BRANDT, INC., v. YOUNG WOMEN'S CHRISTIAN ASS'N. OF
BALTIMORE CITY

No. 84

COURT OF APPEALS OF MARYLAND, JAN. 16, 1936

1. *Trusts* ⇨154

Generally, where there is no separation of legal and beneficial estates, no trust can exist and beneficial estate is merged in legal estate.

2. *Charities* ⇨35

Where bequest was to charitable institution in trust to be used as its directors should deem proper, institution took legal title and hence could pass title to its purchaser as against contention that since no valid trust existed, institution had no title.

3. *Perpetuities* ⇨8(1)

Bequest to charitable institution requiring fund to be raised from sale of property of estate and kept intact and only income used *held* not invalid as violating rule against perpetuities.

4. *Landlord and tenant* ⇨285(6)

Default judgment entered in ejectment action after return day *held* valid, where witness proved that half year's rent was due and testified to damage sustained, notwithstanding no affidavit showing rent due was filed (Code Pub. Gen. Laws Supp. 1929, art. 75, § 78; Code Pub. Loc. Laws 1930, art. 4, § 307; Code Pub. Gen. Laws 1924, art. 75, § 76).

⇨For other cases see same topic and Key Number in all Key Number Digests and Indexes.

MR. MACHEN. You will have four witnesses, I understand, from the Corps of Engineers.

RED RIVER WATERWAY (BELOW DENISON DAM), LA., ARK., OKLA., AND
TEX. (NAVIGATION AND BANK STABILIZATION)

MR. BLATNIK. Mr. Waggonner, is Mr. Long to be here? We thought perhaps you had the largest delegation, a hard-working delegation, and sort of speculating. I think we have a good opportunity right now to hear your witnesses.

STATEMENT OF HON. JOE D. WAGGONNER, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF LOUISIANA

MR. WAGGONNER. Mr. Chairman, and members of the committee, I want to take this opportunity to thank you for the opportunity to appear here today in behalf of the Red River below Denison Dam in Louisiana, Arkansas, Oklahoma, and Texas, and urge you to approve this request. We will hear witnesses from the Red River Valley Association from the Eighth Congressional District of Louisiana as well as the Fourth Congressional District of Louisiana; and I would like to present a statement I have made available to the committee which would be my statement in support of this request, and also urge you to adopt it.

As you gentlemen know, I have appeared before this committee on a number of occasions in the past on behalf of this project and each time I have been received with courtesy and your full attention. It is always a pleasure to testify before you and I am sure you will take under consideration my statement today as well as those of others who make up the delegation which I have the pleasure to introduce.

Others will make it even clearer than I will be able to do that the reestablishment of navigation on the Red River and the accompanying bank stabilization are absolute requisites if we are to have progressive and orderly development of the Red River Valley. The river States and the Nation as a whole will draw equal benefit from this development by contributing substantially in answering the Nation's growing demands for new jobs, new land areas for industry, housing, cities, and recreation; these factors all being additional to the supply of water. The completion of this project will make possible the full and orderly development of all of the multiple resources of the rich valley. Local raw materials and goods manufactured from them and agricultural products indigenous to this area can then be exchanged freely with the other regions of the State and the Nation.

As you gentlemen are aware, the reestablishment of navigation on the Red River requires the construction of locks and dams, realinement of river by cutoffs, and stabilization of the channel. When this improvement is completed, substantially 2,000 acres of land will be saved from almost certain loss and \$1,800,000 in annual damage will be a thing of the past. For the first time the area adjacent to the river can be developed for the best utilization without having to take into account the hazard of caving banks. Land areas which up until now could not be occupied by housing will be safeguarded so that it can be put to residential, business, and industrial use. The flood control benefits which will naturally follow from a stabilized channel will include safety for the levees, a substantial reduction in the cost of maintaining existing works, a reduction in the sedimentation now taking place in Atchafalaya Basin, and greater security against flooding through increased channel capacity and efficiency. Water supplies will be not only increased, but its quality improved by the navigation pools which will be formed by the locks and dams.

In summary, gentlemen, I have touched upon a few of the benefits of the project but will not attempt to cover the broad scope of them all. The advancement and benefits to the Red River Valley and to the Nation are well known to this committee, and expert professional testimony today and the past will bear it out. The Red River Waterway Commission, the Louisiana Department of Public Works, and local interests of the Red River Valley in Louisiana recommend the following:

(1) That the project, Red River below Fulton, as amended, and the Overton-Red River Waterway, be modified to authorize construction of a 9- by 200-foot navigation channel from the Mississippi River to Shreveport.

(2) That the project, Cypress Bayou and Waterway between Jefferson, Tex., and Shreveport, La., be modified to authorize construction of a 9- by 200-foot channel from Shreveport to Daingerfield.

The Board of Engineers for Rivers and Harbors and the Bureau of the Budget have recommended that an economic restudy of the Shreveport to Daingerfield reach of the Red River Navigation Waterway be made prior to initiation of construction. Since under existing policy the Corps of Engineers must periodically reevaluate authorized projects before appropriation of funds for construction, it is not necessary to make this provision a condition for authorization. The navigation project is presently justified from its beginning at Old River to Daingerfield. It is recommended that it be authorized in its entirety without reservations.

(3) That the project, Red River below Denison Dam, Louisiana, Arkansas, Oklahoma, and Texas, be modified to provide for bank stabilization according to the report of the Chief of Engineers.

(4) That the responsibility for maintenance and operation of Caddo Dam in Louisiana be made a Federal responsibility when Caddo Lake becomes a part of the Red River navigation project.

The Bureau of the Budget calls attention to the fact that the present plan of development contemplates use of the existing Caddo Dam in Louisiana as a part of the navigation project between Shreveport and Daingerfield. The Bureau further states that the responsibility for operating and maintaining Caddo Dam project, which is presently a local cost, has not been explicitly defined in the report. Since Caddo Lake pool will be an integral part of the navigation project when it is constructed, the State of Louisiana through the Caddo Levee Board gave assurances that it would operate and maintain the project with the understanding that, when it became a part of the navigation project, this responsibility would be transferred to the Federal Government.

As you gentlemen know, this project was originally authorized in 1945, utilizing a lateral canal. For a number of good and justifiable reasons this system was not carried through. Our need now is to amend the original authorization.

Again, gentlemen, I appreciate very much the opportunity to be here today and again would like to express my sincere appreciation for the courtesy you have shown me by your attention to what we in Louisiana consider to be one of the most important public works projects ever to be considered for the benefit of our State and the area.

And now I believe Mr. Speedy O. Long has a statement he wishes to submit.

STATEMENT OF HON. SPEEDY O. LONG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. LONG. I will just submit my statement in full for the record at this time, Mr. Chairman, and ask if you would want the witnesses introduced now or do you plan to recess for the quorum call?

Mr. BLATNIK. We will run right through until we get to the quorum. We would like to go as far as we could, to about 12 o'clock. We will return at 2 if possible.

Mr. LONG. I would therefore present my statement for the record.

Mr. BLATNIK. Without objection your statement will appear in the record at this point.

(The full, prepared statement of Mr. Long follows:)

STATEMENT BY HON. SPEEDY O. LONG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. Chairman and members of the committee, it is a distinct privilege to be able to appear before the Subcommittee on Rivers and Harbors to testify in behalf of the authorization for navigation and bank stabilization on Red River below Denison Dam, Louisiana, Arkansas, Oklahoma, and Texas, as recommended by the Chief of Engineers. I am especially pleased to be able to support the efforts of those citizens of the Red River Valley who for more than 40 years have worked to improve and stabilize this important stream.

If my information and recollection are correct, this project will be the first basic navigation works attempted on the Red River since Captain Henry Miller Shreve opened the river to navigation in the middle of the 19th century. The time has long since arisen when we should undertake the rejuvenation of this critical commercial water way.

The other witnesses before the subcommittee today will, I am sure, give you the necessary technical information upon which to base your decision; however, the effort we are attempting to make to open the Red River to navigation and to stabilize its banks to provide flood control and recreational advantages transcend mere technical considerations. The project has a deeper human meaning, for the many thousands of people living today in the Red River Valley, for the businessmen, for the farmers, for the working men, and for those generations yet unborn.

I am firmly convinced that this type of project pays greater dividends and will go far toward alleviating those conditions which create poverty and joblessness amongst all our people. I recognize only one special interest to which the Government should respond and this is the interest of all its citizens.

The project which has been proposed for the improvement and rehabilitation of the Red River is of vital and direct interest to all those people who live and do business on lands drained by the river. I believe that the interest of these people demands our positive and immediate action on this authorization legislation and I urge the subcommittee to report the Red River Valley authorization project favorably as the same has been approved and recommended by the Chief of Engineers.

Thank you, Mr. Chairman.

Mr. BLATNIK. We will next hear from our colleague, Congressman Pryor, of Arkansas.

STATEMENT OF HON. DAVID PRYOR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS

Mr. PRYOR. Mr. Chairman, I am grateful for the opportunity to submit testimony in behalf of the program recommended by the Army Corps of Engineers in the Red River navigation and stabilization report. The first efforts to control the river through the use of bank stabilization works began in 1946. For many years it has been an emergency "firefighting" program plagued by inadequate funds. The Corps of Engineers has wisely concluded that the only way to control the Red River is through a well-devised bank-protection system.

The corps has recommended a program consisting of realignment of the channel through dredging and cutoffs, training works, various kinds of revetment, pile dikes and steel dikes, and other works. It is felt that such a program will arrest the economic losses and damages occurring each year.

The Red River project has the approval of the Board of Engineers for Rivers and Harbors, the Chief of Engineers, the Bureau of the Budget, and the Senate Public Works Committee.

Those of us in the four-State area of Arkansas, Louisiana, Oklahoma, and Texas recognize how important this project is to the forward progress of the Red River Basin in its work for flood control and bank stabilization and navigation.

Mr. Chairman, I know that you and the distinguished members of your subcommittee will give due consideration to my views, and I thank you for your courtesy.

Mr. BLATNIK. Thank you, Mr. Pryor.

Next we shall hear from our distinguished colleague and one of the outstanding Members of the House, Congressman Carl Albert, of Oklahoma.

STATEMENT OF HON. CARL ALBERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OKLAHOMA

Mr. ALBERT. Mr. Chairman, I appreciate the opportunity to appear before your distinguished committee in support of the interim report

on navigation and bank stabilization on Red River below Denison Dam in the States of Arkansas, Louisiana, Texas, and Oklahoma.

The U.S. Army Engineers have done an outstanding job in the preparation of this interim report as a part of the comprehensive basin study of Red River below Denison Dam. The report contains complete information to substantiate the recommendation of the engineers that navigation is presently economically feasible as far north as Shreveport on the main stem of Red River and on tributaries to Daingerfield, Tex., and that bank stabilization is justified from Shreveport to Denison Dam.

I wholeheartedly support these conclusions and particularly those with respect to bank stabilization above Shreveport.

The stabilization and rectification of the channel of Red River below Denison Dam will result in enormous benefit to that area of the country through which it runs. In addition, I strongly feel it is necessary that this be done in order to provide for those future days when, I am confident, navigation will be justified on up the river to Denison Dam. The area served by this great inland waterway continues to grow and prosper and I believe the time is not far distant when that area will support commercial navigation all the way to Denison Dam.

Again, Mr. Chairman, I enthusiastically support and endorse this report and urge that the navigation and bank stabilization improvements recommended by the Corps of Engineers for Red River be included in the 1968 omnibus rivers and harbors bill. Thank you very much for giving me the opportunity to present these views today. I am confident this matter will receive the careful and sympathetic consideration of the committee.

Mr. WAGGONER. Mr. Chairman, I would like at this time to especially expedite as much as possible these hearings and introduce to you, Mr. Chairman, a man that has appeared before you on a number of occasions before, Mr. L. R. Roy Matthias, vice president of the Red River Valley Association, Shreveport, La.

Mr. BLATNIK. Mr. Matthias is well known and an old friend, one of the most knowledgeable men in this area.

STATEMENT OF L. R. ROY MATTHIAS, VICE PRESIDENT OF THE RED RIVER VALLEY ASSOCIATION, SHREVEPORT, LA.; ACCOMPANIED BY C. A. FAIRBANKS, PRESIDENT, RED RIVER VALLEY ASSOCIATION, ALEXANDRIA, LA.; CALVIN T. WATTS, ASSISTANT DIRECTOR, LOUISIANA DEPARTMENT OF PUBLIC WORKS, BATON ROUGE, LA.; DOUGLAS F. ATAWAY, EDITOR AND PUBLISHER, THE SHREVEPORT JOURNAL, SHREVEPORT, LA.; HOWARD BRABHAM, EXECUTIVE DIRECTOR, TEXAS WATER DEVELOPMENT BOARD, AUSTIN, TEX.; GEORGE T. BURTON, PRESIDENT, NORTHEAST TEXAS MUNICIPAL WATER DISTRICT, DAINGERFIELD, TEX.; FRANKLIN T. JONES, PRESIDENT, CYPRESS VALLEY NAVIGATION DISTRICT, MARSHALL, TEX.; AND HOWARD WILKINGHAM, TEXARKANA, TEX.

Mr. MATTHIAS. Thank you, Mr. Chairman. I have a prepared statement which I would like to file for the record and only state that the

interim project on the Red River, the interim report on the Red River below Denison Dam, has had the concurrence of the Board of Engineers for Rivers and Harbors, the Chief of Engineers, the Bureau of the Budget, and we recommend and urge this committee to continue with the study of authorization in its entirety.

The project was heard this month by the Senate Public Works Committee and is in the process of being marked up at this time.

We urge this committee to adopt the entire project and to act with haste so that this project may be included in this year's authorization bill.

The Red River is the last major river basin in the United States to be comprehensively developed.

We urge this committee to follow through and adopt this well-worth-while project.

I have seven witnesses accompanying me, in all, who will file their statements and make a brief presentation for the committee. We know that you are pressed for time and we do not want to impose on this time limit.

Mr. BLATNIK. Mr. Matthias, would you want to present your witnesses at this time?

Mr. MATTHIAS. Mr. C. A. Fairbanks of Alexandria, who is president of the Red River Valley Association.

Mr. BLATNIK. Mr. Fairbanks?

Mr. FAIRBANKS. Mr. Chairman, it is a pleasure for me to come before your committee this morning.

I am president of the Red River Valley Association who has been working on this project for some 20 years, and we have passed all the tests all along the road and, without taking up any more your time, I just ask you please, sir, to give us a favorable vote on this.

Mr. BLATNIK. Without objection, your statement will appear in its entirety in the record at this point. We appreciate your consideration and also are fully aware of the intensive and careful effort you have made on this project and your study and presentation.

Mr. MATTHIAS. Our next witness is Mr. Calvin Watts, Louisiana Department of Public Works, assistant director, of Baton Rouge, La.

Mr. BLATNIK. Mr. Watts, we are happy to have you.

Mr. WATTS. Thank you. We have filed our statements previously with the committee.

I am from the State of Louisiana, which supports this project as recommended by the Chief of Engineers.

One short statement I would like to make is that the estimated cost to the State of Louisiana—the local cost is about \$23.5 million on this project. We have already passed a statewide constitutional amendment setting up the Red River Waterway District along the Red River in Louisiana composed of the seven parishes or counties bordering on the river.

It has a commission that has already been appointed. It has tax authority to impose taxes on these properties to meet our obligation of \$23.5 million on the project.

We recommend authorization of the project and state we are ready to put up our proportionate share in the State of Louisiana.

Mr. BLATNIK. Thank you, Mr. Watts.

Mr. MATTHIAS. Our next witness is Mr. Douglas Ataway, publisher and editor of the Shreveport Journal, to speak for Louisiana.

MR. ATAWAY. My name is Douglas Ataway, I am the publisher of the Shreveport Journal.

My newspaper has been striving for navigation and bank stabilization on the Red River for about 50 years. I would like to personally urge now that your committee approve the entire project for the Mississippi River to Daingerfield, Tex.

This will provide a vast supply of fresh water for our cities, our farms, and our industry. The citizens of the four States, Louisiana, Arkansas, Oklahoma, and Texas will all benefit from this project.

Thank you.

MR. BLATNIK. You strongly urge we treat it as one unit and one comprehensive project?

MR. MATTHIAS. Yes, sir.

Our next witness is Howard Brabham, executive director of the Texas Water Development Board, Austin, Tex.

MR. BRABHAM. Mr. Chairman, gentlemen of the committee my name is Howard Brabham. I am the executive director of the Texas Water Development Board of Austin, Tex., and I am appearing on behalf of that board and also on behalf of the Texas Water Rights Commission which requests that their statement be entered into the record in support of this project of navigation on the Red River and bank stabilization.

The water development board is wholeheartedly in accord with the recommendations for authorization of this project and wishes to include its statement in the record; we support the project in its entirety in accordance with the statements that we have supplied to your committee.

MR. WRIGHT (presiding). Without objection, that statement will appear in the record at this point.

(The statement referred to follows:)

STATEMENT BY TEXAS WATER DEVELOPMENT BOARD

SUMMARY

The State of Texas recommends to the Congress that it:

1. Modify the existing authorization for navigation to provide for a channel with a width of 200 feet and a depth of 9 feet from the mouth of Red River to the vicinity of Daingerfield as a single project, without the proviso for economic reanalysis to apply only to the Shreveport to Daingerfield section.
2. Include authorization language to direct that the project be considered a total project for all internal review studies made by the Corps of Engineers prior to construction, and that costs of proposed Lock and Dam No. 6 be considered to be assigned equally to the portion of the project from Shreveport to the mouth, and from Shreveport to Daingerfield.
3. Authorize the three bank stabilization projects with the proviso that no construction on the reach from Denison Dam, Texas, to Index, Arkansas, begin until the Congress considers and acts upon an analysis of the cost-sharing policy for such projects under flood control provisions.
4. Deauthorize the Mooringsport Dam and Reservoir, as authorized by the Flood Control Act of July 24, 1946.
5. Provide for future evaluations of navigation between Denison Dam and Shreveport as changes in conditions warrant such investigations.

STATEMENT OF THE STATE OF TEXAS

INTRODUCTION

An interim report covering navigation and bank stabilization projects was prepared by the District Engineer, New Orleans District, Corps of Engineers,

dated March 15, 1966. The Division Engineer, Lower Mississippi Valley Division, concurred in the findings and recommendations of the District Engineer on April 1, 1966. The Board of Engineers for Rivers and Harbors in its report to the Chief of Engineers dated October 10, 1966 took exception to a number of findings and recommendations of the District Engineer. The Chief of Engineers concurred in the views and recommendations of the Board of Engineers for Rivers and Harbors. The report and recommendations of the Corps of Engineers were received by Governor Connally on November 3, 1966 and considered in detail by the State. The Governor, by letter of April 10, 1967, transmitted official comments of the State, including an order of the Texas Water Rights Commission dated April 10, 1967. Those comments have been transmitted by the Secretary of the Army to the Congress with the report and are a matter of record with this Committee.

NAVIGATION FACILITIES

The proposed navigation improvements on the Red River from Shreveport to the Mississippi River would be a modification of the existing project for navigation, Red River below Fulton, Arkansas, authorized by the River and Harbor Act of July 13, 1892, as modified by the River and Harbor Acts of July 24, 1947 (authorizing the Overton-Red River Waterway), and July 17, 1950 (authorizing the improvement from mile 31 to Black River). The proposed navigation improvements from Shreveport, Louisiana, to Daingerfield, Texas, would be a modification of the existing project, Cypress Creek and waterway between Jefferson, Texas, and Shreveport, Louisiana, authorized by Act June 10, 1872 and modified by an Act approved June 25, 1910 and by the Flood Control Act approved October 27, 1965.

The proposed navigation project would provide for a channel having a bottom width of 200 feet and a depth of 9 feet from the Mississippi River via Old River and Red River for 31 miles and thence to Shreveport, Louisiana, along and in Red River, and follow an improved channel in Twelve Mile Bayou and Cypress Creek to a turning basin located in the headwaters of Lake O' the Pines, Texas.

The project would modify and shorten the length of the existing watercourses by 79 miles by the realignment of the river from the present 373 miles to an improved channel length of 294 miles. The project would require the construction of nine locks and seven dams, and would provide a total lift of 224.5 feet. The locks would have a chamber size of 600 x 84 feet.

All reporting elements within the Corps of Engineers have determined that the project is feasible. Separate analyses were made by the District Engineer and by the Board of Engineers for Rivers and Harbors. Both groups found the entire navigation project to be economically justified, although benefit to cost ratios were different in the two analyses.

Benefits due to transportation savings were computed by the Corps of Engineers by three methods of analyses: current rate, water-compelled rate, and projected rate. Benefits computed on the basis of projected rates take into account the future lowering of competitive truck and rail rates, thus lowering the benefits to be derived from water-borne traffic. With this very conservative approach the Corps of Engineers analyses indicate the total project to be feasible.

Both the District Engineer and the Board of Engineers for Rivers and Harbors analyses considered the Red River to Shreveport, Louisiana and from Shreveport to the vicinity of Daingerfield, Texas for separate and total project analyses. The benefit to cost ratio from these analyses were:

Unit	District engineer	Board of Engineers for Rivers and Harbors
Mississippi River to Shreveport.....	1.8	1.48
Shreveport to Daingerfield.....	1.9	1.05
Total project.....	1.8	1.30

The benefit to cost analyses of the Board of Engineers for Rivers and Harbors considers the rate savings for the Shreveport to Daingerfield reach to be incre-

mental to the Mississippi River to Shreveport unit. The assumption of the incremental method is questioned on the basis that a separation of data on tonnage of commodities expected to be carried on the two reaches on the total project, as shown in Tables 4 and 6, Appendix III, indicates the reach from Shreveport to Daingerfield will be responsible for more than 50 percent of the up-bound and down-bound traffic of the total project.

The Board of Engineers for Rivers and Harbors analysis also assigns the cost for Lock and Dam No. 6, to be located on Red River below Shreveport, to the reach from Shreveport to the vicinity of Daingerfield. We find this analysis of cost assignment to be incorrect. Lock and Dam No. 6 will be needed by both the navigation to Shreveport, and the navigation to Daingerfield. The cost of Lock and Dam No. 6 is a total project cost and should be assigned equally to both units as detailed design and construction are initiated.

We believe that the logical conclusion to be reached is that the navigation project should be considered as a single total project from the Mississippi River to the vicinity of Daingerfield, Texas. Such conclusion is reached from the facts that a very high percentage of total tonnage relates to the Daingerfield-Shreveport reach; that benefits to be derived accrue to the entire length of the project; and, that construction costs are compatible throughout the length of the project.

The Board of Engineers for Rivers and Harbors recommendation pertaining to the navigation authorization includes the proviso that "prior to the construction of navigation features on the reach from Shreveport to Daingerfield, the transportation economics be reanalyzed, taking into account all data pertinent to the movement of bulk commerce in the project tributary area."

As concluded earlier in this statement, the navigation project should be considered as a single total project from the Mississippi River to the vicinity of Daingerfield. The total project is shown by the Board of Engineers for Rivers and Harbors to have a favorable benefit to cost ratio of 1.3. Under normal procedures the Corps of Engineers evaluations of this type are made after authorization and before construction of a project. The Board of Engineers for Rivers and Harbors proviso language is over-restrictive if the phrase "project tributary area" refers only to the portion of area from Shreveport to Daingerfield. If it pertains to the entire project area from the Mississippi River to the vicinity of Daingerfield the proviso is not necessary as their analyses demonstrate a benefit to cost ratio of 1.3. It is concluded that the proviso recommended by the Board of Engineers for Rivers and Harbors is not necessary.

"Texas requests that such a proviso not be included in the authorizing legislation, and that the navigation project be authorized as a single total project."

Analyses which have been made indicate that navigation upstream from Shreveport along Red River through southwestern Arkansas, and along the common boundary between Oklahoma and Texas to the vicinity of Denison Dam is not feasible at this time. Texas recognizes that additional evaluations of this potential should be made in the future as changed conditions warrant such investigations.

BANK STABILIZATION

The report recommends bank stabilization projects in the reach from Denison Dam, Texas to Index, Arkansas; from Index to Shreveport, from Shreveport to the Mississippi River, and a short segment of Cypress Creek in conjunction with the navigation unit.

The reach of navigation channel from Shreveport to Daingerfield includes provisions for a two-mile section of bank protection along the left bank of the new channel above the Red River and a one-half mile section southeast of Jefferson. This work will cost \$877,000 and is included in the total cost of the navigation project.

The District Engineer report demonstrates the need for the bank stabilization project from Denison Dam, Texas, to Index, Arkansas. The Texas Water Development Board concurs in this need. The Texas Water Development Board takes exception to the cost allocation method used by the Corps of Engineers in determining the contribution to be made by non-Federal interests.

Certain segments of General Cassidy's letter of transmittal to the Secretary of the Army concerning bank stabilization are as follows:

Para. 2. a. "That the existing flood control project, Red River below Denison Dam, be modified to provide for realigning and stabilizing the banks of Red River from the vicinity of Shreveport, Louisiana, to Denison Dam, Texas, at an estimated total Federal first cost of \$110,800,000, and \$9,002,000

non-Federal cost for lands, easements, rights-of-way, and certain modifications and relocations of roads, utilities, and related facilities made necessary by construction of the project. Construction would be contingent upon certain requirements of local cooperation including, for land enhancement benefits in the unleveed reach above Index, Arkansas, a cash contribution or equivalent as may be agreed upon by the Federal Government and local interests, amounting to 21.1 percent of the Federal cost, such contribution now estimated at \$16,211,000. The reaches from Shreveport to Index and from Index to Denison Dam, analyzed separately, both have benefit-cost ratios of 1.3."

Para. 3. "The Board of Engineers for Rivers and Harbors concurs generally in the findings of the reporting officers with respect to the proposed bank stabilization improvements. However, the Board concludes that the bank stabilization works for the reach from Shreveport to the Mississippi River should be considered together with those proposed for the reach from Denison Dam to Shreveport, as a modification of the flood control project, Red River below Denison Dam. The Board estimates the total Federal first cost from Denison Dam to the Mississippi River at \$197,041,000 and, using a 100-year period of analysis, computes the benefit-cost at 1.2. On the basis of revised estimates of benefits for the reach from Denison Dam to Index, Arkansas, furnished by the reporting officers subsequent to submission of the report to the Board, the local cash contributions for land enhancement benefits was recomputed to be 26.1 percent of the first cost, an amount now estimated at \$20,127,000. Subject to certain requirements of local cooperation, including the revised cash contribution, the Board recommends modification of the flood control project for Red River below Denison Dam to provide for bank stabilization generally in accordance with the plan of the District Engineer, and deauthorization of Mooringsport Dam and Reservoir on Cypress Creek."

Further, in Para. 6, General Cassidy states, "... The bank stabilization measures will eliminate the wide meanderings of the stream which has plagued the area and permit productive use of lands which have been threatened by caving of banks. . . ."

The report states that about 1,000 acres of land are lost each year through caving in the reach above Index, Arkansas. Also, the total area threatened by caving of the river from Denison Dam to the mouth is an estimated 500,000 acres, including about 170,000 acres above Index, Arkansas. Local efforts to protect banks are ineffective because of the lack of continuity essential to a successful bank protection program. The Report mentions that 73 of 93 bank protection works installed by local and state interests have been destroyed or become ineffective because of the lack of continuity essential to a successful bank protection program.

The Report notes that due to natural river overflow, the choicest lands (and most productive) in Red River Basin are built up as levees along the river. These choice lands represent an irreplaceable resource to the several states and to the United States. These lands are the ones that are slowly being lost each year through caving and erosive action of the base flow as well as flood flows of the Red River.

The Board of Engineers for Rivers and Harbors noted the wide variation in the conditions of local cooperation for the three reaches, but also noted they are those normally required under current policy. The current policy referred to is not clear, and should be considered by the Congress.

The Board of Engineers for Rivers and Harbors (Pg. 20 of letter of transmittal to the Chief of Engineers) and the Chief of Engineers (Pg. 1 of letter of transmittal to the Secretary of the Army) recommended that the project, Red River below Denison Dam, authorized by the Flood Control Act of 1946 be modified by providing for realigning and stabilizing the banks of the Red River from the Mississippi River to Denison Dam, Oklahoma and Texas. Texas concurs and notes that this is in accordance with T 33 U.S.C.A. Section 701a which states, "... destructive floods . . . upsetting orderly process and causing loss of life and property, including the erosion of lands and impairing and obstructing navigation, highways, railroads, and other channels of commerce between the states, constitute a menace to national welfare; that it is the sense of Congress that flood control on navigable waters or other tributaries is a proper activity of the Federal Government in cooperation with States and localities . . . that investigations and improvements of rivers and other waterways, including watersheds thereof, for flood control purposes are in the interest of the general welfare; that the Federal Government should improve or partici-

pate in the improvement of navigable waters on their tributaries, including watersheds thereof, for flood control purposes if the benefits to whomsoever they may accrue are in excess of the estimated costs . . . June 22, 1936, c. 688, para. 1, 49 Stat. 1570, "Also, in T 33 U.S.C.A. Section 701a-1.

"The words 'flood control' as used in Section 701a of this title, shall be construed to include channel and major drainage improvements, and Federal investigations and improvements of rivers and other waterways for flood control and allied purposes shall be under the jurisdiction of . . . the Department of the Army under the direction of the Secretary of the Army and supervision of the Chief of Engineers, and Federal investigations of watersheds and measures for runoff and waterflow retardation and soil erosion prevention on watersheds shall be under the jurisdiction of . . . the Department of Agriculture . . . December 22, 1944, c. 665, Section 2, 58 Stat. 889.

It is clear that the preceding statutes would permit the inclusion of bank stabilization in the existing flood control project, Red River below Denison Dam.

The benefits calculations have been made in accordance with the flood control benefits analysis procedures in the report to the inter-agency Committee on Water Resources, *Proposed Practices for Economic Analysis of River Basin Projects* prepared by the Subcommittee on Evaluation Standards, May 1958 (The Green Book) and Senate Document No. 97, 87th Congress, 2nd Session.

The Green Book states "in general the need for flood control depends on the need for the property, products or services which are destroyed or damaged, or which are prevented from being produced or used as a result of floods." Senate Document 97 states the same thing in practically the same words.

Two forms of benefits to bank stabilization have been estimated by the Corps of Engineers in the Interim Report. One of these is that benefit resulting from the prevention of bank caving and the consequent retention of their present status. This benefit would correspond to the need for the property, products or services which are destroyed or damaged and is therefore a Federal responsibility. The second type of benefit includes a shift in cropping practice resulting from economic conditions, and projected increased yields, by all the lands within the floodway. This benefit results from the fact that bank caving has prevented the higher use of lands within the floodway and corresponds to the property, products or services which are prevented from being produced or used as a result of floods. This benefit is also a Federal responsibility of flood control and has been so accepted in normal Corps of Engineers procedures.

However, in the body of the Interim Report, these latter benefits are referred to as Land Enhancement benefits to which a Soil Conservation Service Department of Agriculture drainage formula for local cash contribution has been assessed. None of the criteria for drainage benefits according to Senate Document No. 97 has been satisfied by the proposed works for bank stabilization, whereas the flood control benefits criteria are satisfied.

It is our understanding that this recommended project from Denison Dam, Texas, to Index, Arkansas, is the first major stream bank stabilization project to be recommended to the Congress by the Corps of Engineers which is not in conjunction with a navigation project. The bank stabilization project is needed, is feasible, and is in the best interest of the Nation and of the States. As the project will involve a precedent, and the policy relating to cost sharing by Federal and local interests will be established, it is requested that "the project be authorized with the proviso that no construction on the Denison Dam, Texas-to-Index, Arkansas-reach begin until the Congress considers and acts upon an analysis of the cost-sharing policy for such projects under flood control provisions."

DEAUTHORIZATION OF MOORINGSPOUT PROJECT

The report recommends the deauthorization of the Mooringsport Dam and Reservoir authorized by the Flood Control Act of July 24, 1946, to replace Caddo Dam and provide flood control. A restudy of the authorized project in 1958 showed the project unjustified. The project was transferred to the inactive status on August 25, 1959.

The Mooringsport Dam site was downstream of the existing Caddo Dam and would have added flood control storage, while maintaining the water level in Caddo Lake at elevation 168.5 feet. The flood control storage, to elevation 183 feet, would have inundated additional areas in Texas and Louisiana.

Texas concurs in the recommendation for deauthorization of the Mooringsport Project.

Mr. WRIGHT. Thank you for your testimony. Let me thank you personally for all you have done for Texas.

Mr. MATTHIAS. Our next witness is George T. Burton, president of the Northeast Texas Municipal Water District of Daingerfield, Tex.

Mr. WRIGHT. It is very nice to have you with us.

Mr. BURTON. Mr. Chairman, it is certainly a pleasure to be here with you today and I want to submit my statement for the record which includes statements from the mayors of the cities of Daingerfield, Hughes Springs, Lone Star, and Pittsburg, Tex.

We would also like to submit a statement from the Lone Star Steel Co. and Morris County and we will not take up the committee's time. We are presenting these statements just to say that we would like to urge the committee's every consideration in approving this project as a single unit and we would like to see the navigation come to Daingerfield as quickly as possible.

Mr. WRIGHT. Thank you. We are quite familiar with the great volume of traffic that will be generated on this canal by the Lone Star steel plant in your city.

We are glad to have you with us and without objection the documents to which you referred will appear in the record at this point.

(The documents referred to follow:)

STATEMENT OF THE MORRIS COUNTY COMMISSIONERS COURT IN SUPPORT OF MODIFICATION OF THE AUTHORIZATION FOR NAVIGATION ON RED RIVER AND CYPRESS BAYOU, LOUISIANA AND TEXAS

RESOLUTION

Whereas Morris County has for many years supported the development of our area water resources; and

Whereas Morris County has supported the development of navigation in our area; now

Therefore be it resolved that Morris County Commissioners Court does hereby support the statements submitted by the Northeast Texas Municipal Water District and the State of Texas:

Be it Further Resolved that this Court does request the Committee's favorable consideration and authorization of the Project Navigation from Red River to vicinity of Daingerfield.

PEYTON C. EVANS,
County Judge.

ARCHIE L. FOMLY,
County Commissioner.

REX W. BASS,
County Commissioner.

GUY DAVIS,
County Commissioner.

CECIL THOMAS,
County Commissioner.

Mr. MATTHIAS. Our next witness is Mr. Franklin T. Jones, president of the Cypress Valley Navigation District of Marshall, Tex.

Mr. WRIGHT. Mr. Jones is an old personal friend of mine.

Mr. JONES. Thank you, sir.

Mr. Chairman, members of the committee, I appear on behalf of the Cypress Valley Navigation District, the county of Harrison, Tex., the city of Marshall, Tex., and the chamber of commerce for the city of Marshall, Tex.

We are all in deep accord with the statements made by the previous witnesses, particularly by Mr. Patman and the Texas Water Development Board spokesmen.

We urge approval of this project in its entirety without distinction. We hope that it will be considered on its benefit-cost ratio, 1.3, as an entire project and no mention made of any segmentation for restudy of any part of the project.

It is our belief that industry attracted to our area will be far better pleased when presented a prospectus which shows an approved plan where navigation will come and not a prospectus that says navigation will come if restudy justifies it. This is sort of like locating an industry on the street. If he has assurance the street will be a paved one, he will locate on that one rather than the one where there is to be a study of if one is to be paved.

We ask the privilege of filing the statements for the editors I have named. It was in 1883 that the Federal Government started out to help us with the navigation on the Cypress River, where there was a log jam up above Shrevesport that was blasted and the river made navigable.

Mr. WRIGHT. I hope it will not be this much longer.

Mr. JONES. Thank you.

Mr. MATTHIAS. Our next witness, Mr. Chairman, speaking for the Texans in the area, Mr. Howard Willingham, representing the cities in the area of Texarkana.

Mr. WRIGHT. Mr. Willingham, it is good to have you.

Mr. WILLINGHAM. I am Howard Willingham, representing the two cities of Texarkana, and I have a short prepared statement that I would like to present for the record on behalf of the seven counties in the southwestern Arkansas and northeastern Texas adjacent to the project area.

We endorse the Corps of Engineers report and urge the authorization of the project in its entirety.

Mr. WRIGHT. Thank you, very much.

Mr. MATTHIAS. Mr. Chairman, that concludes our witnesses. However, there may be some statements from the large audience in attendance that wish to file statements for the record. I so request that permission.

Mr. WRIGHT. Mr. Matthias, that will be granted and, without objection, the statement of any of those appearing in connection with this project desiring to make a statement may be included in the record.

Mr. MATTHIAS. Thank you, very much, Mr. Wright.

PORT JEFFERSON HARBOR, N.Y.

Mr. WRIGHT. Congressman Otis Pike, will you come forward, please?

STATEMENT OF HON. OTIS PIKE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. PIKE. Thank you, Mr. Chairman.

Mr. WRIGHT. You are appearing now in connection with the Port Jefferson Harbor project in New York?

Mr. PIKE. That is correct, Mr. Chairman. I apologize for not having a prepared statement, but I will be very succinct in my remarks.

Mr. WRIGHT. You always are and we are delighted to hear you in any manner in which you desire to proceed.

Mr. PIKE. I am somewhat embarrassed, after listening to all of these witnesses recommending their thoroughly justified and highly desirable projects, to have to come here and say, in my opinion, this particular project which is located right smack in the middle of my own district, and is not near to anyone else, is not particularly justified at this particular time.

I think if the committee in its wisdom saw fit to remove it from the bill the Nation would survive and so would I.

I would like to reserve the right to speak further after those who are in favor of it have spoken, if they should raise any issues with which I violently disagree.

I would simply say although the cost-benefit ratio is very high the benefit accrues almost exclusively to one large corporation which needs it like a moose needs a hatrack.

Mr. WRIGHT. I think your request is inappropriate. One, if you desire to appear later following the testimony of those who appear in behalf of the project, is it your feeling that the project was not desired by the majority of the people in the area?

Mr. PIKE. Oh, indeed, yes, Mr. Chairman. I would not be here in this capacity if I did not feel that I was representing the majority thinking of the people in the area, the village in which it is located which has gone on record as opposed to the project.

The town supervisor of the town in which it is located—these are big towns, say 150,000 people—has not dared to speak one way or the other on the subject, while the county executive has come out in favor of it. I think he is not representative of the thinking of the majority of the people in the area.

Mr. WRIGHT. This is not a unique situation.

Mr. PIKE. I simply say if the committee in its wisdom sees fit to take the project out of the authorization bill there will be no violent reaction from the Representative here.

Mr. HARSHA. Is this in your congressional district?

Mr. PIKE. It is not only in my congressional district, but my district is surrounded on three sides by water; there is one other Congressman about 25 miles away from this project who would be the closest other Congressman involved with this particular area.

Mr. HARSHA. Single user's benefit?

Mr. PIKE. I am sorry you asked that. It happens to be an oil company and I know Mr. Wright's interest in this industry, but it is an oil terminal operation located in the area which has pushed this project from its inception.

They are going to get a tremendous competitive break at the taxpayers' express expense and I just do not think as a matter of policy they will really need it.

Mr. HARSHA. While Mr. Wright has shown some interest in oil, proper legislation has always adopted the position it would be substantiated by successful subsidy.

Mr. PIKE. Let me say this, Mr. Harsha. The benefit-cost ratio has been arrived at after redoing the study three times in order to get the benefit-cost ratio at which they have arrived. It is very high. I do not say this is not a desirable project at some time, but it is very controversial at this moment. It could be done. At this particular time in our Nation's history when people are looking all over the place for places

where they might just cut something I would suggest that this would have a relatively low priority in my opinion.

Mr. HARSHA. I would like to comment on the fact that Mr. Wright comes from a great oil producing State.

Mr. PIKE. I was aware of this.

Mr. HARSHA. Most of the people are interested in the production. Their economic welfare depends upon the production of oil and in that regard, Mr. Wright has been interested in it. I do not know of any improper association on his part.

Mr. PIKE. Absolutely not and believe me I would not want to leave that connotation at all. I just did not even want to mention the word "oil" and that is all.

Mr. WRIGHT. I think the gentleman from South Dakota has entered the hearing room, Congressman Ben Reifel, who has come over to appear in behalf of the Missouri River project.

MISSOURI RIVER NAVIGATION, SOUTH DAKOTA AND NORTH DAKOTA

STATEMENT OF HON. BEN REIFEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH DAKOTA; ACCOMPANIED BY HON. CHAN GURNEY, FORMER U.S. SENATOR, AND STATE SENATOR A. J. RHIAN

Mr. REIFEL. Mr. Chairman, I have with me former Senator Chan Gurney who will submit his statement and make some brief comments in regard to our project. He is the most informed about the subject; and Hap Rhian will submit the Governor's statement for the record.

Mr. WRIGHT. Mr. Rhian, we will be pleased to have your statement.

Mr. RHIAN. Inasmuch as Senator Gurney is fully familiar with this and can summarize more effectively than I will be able to because he has appeared before the Senate committee in this regard, I will defer to him.

I do have a statement for the record from Gov. Nils A. Boe.

Mr. WRIGHT. Without objection, the Governor's statement will be put into the record at this point.

(The prepared statement of Gov. Nils A. Boe follows:)

STATEMENT OF NILS A. BOE, GOVERNOR, STATE OF SOUTH DAKOTA

EXTENSION OF MISSOURI RIVER STABILIZATION AND NAVIGATION

I greatly appreciate the courtesy which has been extended to me of allowing my representative, Senator A. J. Rhian, to present my statement and testimony this morning. My schedule of commitments, which could not be altered, prevent me from having the opportunity to appear before you in connection with this most important matter.

I am sure that you gentlemen are generally familiar with the history of the development and construction of the four main stem dams upon the Missouri River in the state of South Dakota.

In the minds of many men and women of the Missouri River Basin States, some of whom are no longer with us, there was envisioned a dream to harness and utilize to the fullest extent the waters of the mighty Missouri River. The purpose and use for these waters in the minds of these men and women were diverse and manifold.

The primary objective was that of flood control; then, next in order of importance, navigation on the Missouri River up to the Gavins Point regulating

dam which now crosses the river between South Dakota and Nebraska, about sixty miles up stream from Sioux City, Iowa.

After these very important reasons came the opportunity for irrigation of our dry areas and the generation of a great amount of hydroelectric power.

It must be borne in mind that storage reservoir areas now comprise and total approximately one-half million acres of land—land which has been taken out of production—land which has been forever taken from the tax rolls. The total storage potentiality within these giant reservoirs is in the amount of 34-million acre feet.

Indeed, the state of South Dakota plays the vital and important role in providing the many benefits which have resulted to those states located to the south of our borders, and through which the Missouri River flows. For, as the result of the construction of these dams and reservoirs, control of flood waters has been accomplished by the channelization and stabilization of this great and meandering river, thereby giving our sister states to the south from St. Louis to Sioux City, Iowa, a practical and efficient medium of transportation.

It is with respect to the very important uncompleted and unforged link in the potential navigational chain concerning which I particularly speak to you today.

A 60-mile stretch of river still remains free to meander unchecked and unrestrained through a valley ranging from two to ten miles in width, eroding and threatening some of the richest and most productive farm land in the midwest.

The unrestrained flow of the Missouri River from Gavins Point southward to Sioux City, Iowa, indeed is a serious economic detriment and burden to this region of the states of South Dakota and Nebraska. It would be hoped that the same assistance and cooperation would be given to our riparian agricultural land owners with respect to bank stabilization that has been given to land owners bordering the banks of the Missouri as it flows southward.

Nebraska, South Dakota, and the entire north central area served by the upper reaches of the Missouri River are blessed with fertile soil. Agricultural production potential is great. Last year in South Dakota, yields were as high as 60 bushels of wheat per acre. Corn yields were from 100 to 125 bushels per acre. The need for low cost water transportation to provide a means of transporting our agricultural produce to markets is, therefore, completely evident. Lower freight and transportation rates will become a reality. A savings to the extent of ten cents a bushel upon grains produced in the midwest area will result.

Economic benefits will accrue to our area, which up until now find it possible and profitable to use water transportation in the distribution of their products, only so far up the Missouri River to Sioux City, Iowa. Fertilizers, cement, structural steel, pipe, and many other items of production will then be transported upstream and made available at a reduced cost into the economy not only of South Dakota and Nebraska but our entire upper midwest area.

Favorable action on the part of Congress with respect to the extension of the proposed Missouri River navigation channel will be one of the greatest stimuli in the industrial development of a portion our great nation, which even in 1968 might to a degree be considered virgin territory. The Federal government, throughout the course of the past years, has spent billions of dollars to help improve the economic and social conditions in the various areas of the United States of America. Vast appropriations have annually been made to produce a climate where economic growth and development might be insured. Vast appropriations are made to create economic assistance to our minority groups. Even as this proposed project is being considered, plans are in the process of preparation calling for the expenditures of further billions of dollars for urban renewal, slum clearance, and the rebuilding of the ghettos.

Annually, more and more Americans literally are being squeezed into our urban areas, and in our abortive efforts to combat the wave of crime, violence, riots, and the moral degeneration of our people which has resulted, we continue to rack our brains in an effort to determine how even more people can be accommodated in these same urban areas.

I submit that it is time that we appraise not only this problem, but our entire long-range goals and objectives with respect to the United States of the future. In so doing it is, indeed, time that we take inventory of the natural resources of today and attempt to discover the frontiers of opportunity that still remain, and to open the door to those frontiers.

Many prophets of doom have predicted the demise of rural America. May I state that such an opinion and philosophy is entirely false and is not based on sound economic foundation. For on the contrary, the very future of our country depends directly upon the revitalization of one of our most basic and important

industries—agriculture—as well as the industrial development of this same area in which one may still find pure air, clean waters, space in which to move and the opportunity to live with a hope for the future.

It would be my prayer that through your vision and through your instigation, a new and dynamic program might be instituted which would cause a regeneration in our agricultural industry and would serve as that needed stimulus for the industrialization of the wide expanses which await such development. That in so doing, there would be provided to the people of our country, and especially to those who now seek employment and a bare and meager living in our urban centers, an opportunity to discover a new America in areas heretofore unknown to them. In my sincere opinion, the extension of navigation and stabilization of our Missouri River from Sioux City, Iowa, to the first main stem dam in South Dakota, Gavins Point Dam, would be of untold value and importance in achieving the realization of that to which I have just referred.

In presenting my testimony urging the approval of this important project, in the light of world as well as domestic conditions, an immediate appropriation of funds for this project would be ill-advised. Accordingly, as Governor of the state of South Dakota, I respectfully urge and request that this Committee affirmatively take action in recommending the immediate authorization of this project. I am confident that America will recover and rebound from the economic and financial crisis in which we have found ourselves, and that at such time as we have reached a sound financial and fiscal stature, this project, which I hope and should be presently authorized, could then be properly implemented and funded in the future.

Mr. WRIGHT. It is a pleasure to extend to Senator Gurney all the courtesies that have been extended to me before the CAB.

Mr. GURNEY. Thank you, Mr. Chairman, and gentlemen of the committee. It has been a long time since I have been acquainted with the river, even got my toes wet when I was a kid wading in the river, but I will not bother you with that.

I was a member of the other august body, on the other side of the park when the Pike-Sloan plan was started on which our Government has spent for the dams alone more than \$1.5 billion and that controls the floods that we used to have in the Missouri.

Now, there is 1,000 miles of navigable stream, upstream from St. Louis, some 1,000 miles. It is all navigable or will be in a few years, up to Sioux City, Iowa.

Above Sioux City, Iowa, an air-mile distance of 54 miles has not been touched. We need bank stabilization and channelization for 54 miles and then it will be complete.

Our trouble is that the regulating dam, the last one on the river, there are six large dams and the water flowing out of there is for what—for navigation on the river.

Now, I would like to think that Uncle Sam could cash into the full extent of the possibilities for industry and betterment and the whole 1,000 and some miles to St. Louis by completing this 54 miles because the water necessary for this navigation flows across this 54 air miles of the river. That will bring lower freight rates to everything we grow, ship out, lower freight rates, transportation rates for everything we need coming in.

Industry will come to our State and will be of great benefit. I would hope that the committee would ask the Army Engineers for their report so you will have it on file.

One more point I want to cover and that is that our people feel we should not ask for funds for this project until the war is over and the fiscal position of our Treasury is in better shape. We do need authorization.

The statement which will be filed by the Mississippi River Valley Association represented here today by Mr. Michael Cassidy gives the date when this project was first authorized by Congress for surveys and so forth. It has been a long time. I believe the last action by Congress was about 9 years ago. That is too long to wait.

Mr. Chairman, we need authorization now. We need it in order that when conditions improve, we can start construction.

I want to introduce Mr. A. J. Rhian who has already filed our Governor's statement and who has been a State senator and who has presented the Governor's statement.

I also have a short statement that I have prepared for my own remarks and to submit for the record.

Mr. WRIGHT. Without objection your statement will appear in the record at this point.

(The statement of Mr. Gurney follows:)

STATEMENT OF CHAN GURNEY FOR THE MISSOURI RIVER COMMITTEE OF THE
YANKTON, SOUTH DAKOTA, CHAMBER OF COMMERCE

Mr. Chairman and members of the Committee, I am glad to be here, and thank you for time and consideration you are giving to our most important South Dakota and Nebraska Missouri River Project.

Our project, river channelization and bank-stabilization improvement for about 54 miles of the Missouri up river from Sioux City, Iowa to Gavins Point, South Dakota and Nebraska, to give our area low cost river navigation. We now find ourselves with district and division approval by the U.S. Army Engineers, and by its Chief also by the Rivers & Harbors Board, Interior Department and Department of Agriculture but still not out of the Secretary of the Army's Office and over to the Bureau of the Budget.

Control and improvement of the entire Missouri River must rank as one of the major undertakings by our Nation for the development of our water resources.

At this point in time, the ravages of floods in much of the lower valley have been relegated to history. The major main stem chain of reservoirs stretching from Montana to the southeast corner of South Dakota is essentially complete, providing storage for 34 million acre-feet of flood water.

Hydro-electric power in huge amounts is being produced in the six great power houses at each of the six great multi-purpose dams. Irrigation is provided by the great amount of water in the reservoirs.

But in the reach of the river between Gavins Point Dam and Sioux City, the banks of the river are not stable. In spite of the regulation which is afforded by the reservoir system, erosion is still a significant problem. Aerial photographs of that reach are replete with evidence of channel changes, oxbow lakes, and crescent shaped contours which testify to the past meander history of the river.

The valley width in the reach between Sioux City and Gavins Point varies between two and ten miles, and at one time or another the river channel has meandered over at least 60 percent of this valley area. For the people, and particularly the farmers residing in this area, the continuing erosion process means simply that they still cannot attain the full income potential of the productivity inherent in the valley soils. The constant threat of erosion and the actual losses that occur every year have had an adverse economic impact on this area and on the State of South Dakota, and Nebraska.

In essence, we have in this still uncontrolled unnavigable reach of river a prime example of the problems that existed downstream from Sioux City prior to the installation of stabilization works. It is difficult for us in South Dakota and Nebraska to comprehend the apparently arbitrary cutting off of the Missouri River stabilization and channelization project in the vicinity of Sioux City when all logic indicates that stabilization of the channel should proceed upstream to the Gavins Point Dam regulating dam.

Five great dams have been built at a cost of more than one and a half billion dollars. Now in 1968, can we say we have our monies worth, can we now get

greater benefits from this huge expenditure of Federal Funds? The answer is a resounding yes, to each of these two questions.

Electricity yes—a surplus, for there are 2,048,000 kilowatts of installed generating capacity provided for and now working. 98% and more of the farmers in the whole area now have dependable lights and power at low rates. Federal and State institutions are also benefiting as well as cooperatives, six states and private power users are glad to have this surplus power available.

A huge irrigation project has been authorized for North Dakota, hearings are now in progress in this Congress on the Oahe Project that will eventually provide irrigation for 500,000 acres of South Dakota land.

Navigation yes, with one exception.

From Sioux City downstream a nine foot channel is authorized, the necessary amount of water 32,000 second feet is constantly let out at the regulating Gavins Point Dam, 60 air-miles upstream. The Dam joins the states of Nebraska and South Dakota.

To bring lower transportation rates to these two states—only 60 miles of river needs to be channelized and stabilized. Think of that, only 60 miles, yet to be taken care of when the total mileage below the regulating dam is approximately 1000 miles, all stabilized with this exception, all the way down-river to St. Louis. Now let's look at the cost. The Corps of U.S. Army Engineers estimate is \$57,782,000. That is less than three per cent of the Federal money spent to build the dams and provide the storage to maintain navigation benefits to all states below South Dakota.

I know Congress in 1944, intended to get maximum benefits for all states along the Missouri. I know it was an unintentional error in the original authorization in 1944 that navigation was not provided up to the regulating dam. I know it because, I was one of the Senators at that time working hard to get maximum benefits for the states along the whole course of the river, and what is equally important for all states below the river dams all the way down stream to New Orleans.

You can correct this error or shall we say inadvertance by demanding now that for the 2 billion already spent you are going to get Uncle Sam's moneys worth by authorizing navigation up to the Gavins Point regulating dam. Think of it! Only 60 miles out of a total 1000 miles all the way to St. Louis.

Nebraskans and Dakotans want to cash in on these benefits, what are they in dollars and cents? Well, first 7 to 10 cents a bushel on grain going down-stream. Much lower freight rates on fertilizer for our farmers and that will run into thousands of tons. Lower costs for freight on all heavy products we use for all kinds of construction, structural steel, building materials and a great number of other products produced by down-stream states.

By lowering these transportation costs, we make a tremendous stride in lowering total cost of things we need in the agricultural states of the Dakotas and Nebraska. Yes, with favorable action by this Congress, our area will see a bright future. Not so many of our people will be migrating away from Missouri River land.

Yes, this Congress can do the necessary job now by authorizing construction, we realize that construction money must wait till wars end and a better fiscal position in the United States.

BASIC FACTS

1. The project will stabilize the banks and afford a navigation channel upstream from Sioux City to the last down-stream regulating dam, (Gavins Point).

2. 124,000 acres of Missouri River bottom land between Gavins Point and Sioux City are threatened by erosion.

3. The project will protect 87,000 acres of crop land, 37,000 acres of non-crop land, 280 miles of roads and the town of Elk Point, South Dakota.

4. South Dakota has 41 counties and Nebraska 1 county that would benefit directly from transportation savings.

5. The project would preserve the existing fish and wildlife resources and provide opportunity to enhance the wild life resources by establishing refuges.

6. The project would provide unique recreational opportunities.

7. The project would have essentially no adverse effects on the existing main stem reservoir functions.

8. Essentially no additional outflow from the main stem system would be required for navigation in the reach.

9. The project first cost is \$57,782,000.

10. Project annual costs are \$2,785,000 considering a 50 year project life and \$2,378,000 considering a 100 year project life.

11. Annual navigation benefits from transportation savings are \$1,041,000 and \$1,142,000 for the 50 year and 100 year life projects.

12. Annual bank stabilization benefits are \$1,722,000 and \$2,072,000 for the 50 year and 100 year life projects.

13. Annual recreation benefits are \$400,700 for either the 50 year or the 100 year life project.

14. 454,000 acres of South Dakota farm land given up to the 4 dams located in South Dakota.

15. Hundreds of acres of farm land lost due to erosion between Sioux City and Yankton since 1955.

16. The United States Army Engineers evaluate the cost benefit ratio 1-1.3.

Mr. GURNEY. I will introduce Mr. Cassidy who probably needs no introduction to this committee. He is the topman on the staff of the Mississippi Valley Association and he will make a short statement.

Mr. WRIGHT. Mr. Rhian, you are appearing in behalf of the Governor of the State of South Dakota and we were pleased to receive the Governor's statement.

Mr. RHIAN. The Governor expresses his regret that he could not be here in person.

Mr. WRIGHT. Mr. Cassidy?

STATEMENT OF E. MICHAEL CASSIDY, EXECUTIVE VICE PRESIDENT, MISSISSIPPI VALLEY ASSOCIATION, ST. LOUIS, MO.

Mr. CASSIDY. I have a prepared statement that I would like to file for the record. I would like to make one comment on this. Normally, it has not been the habit of the Mississippi Valley Association to support projects for authorization until they have cleared all of the necessary hurdles, but this particular project was cleared by the Corps of Engineers in 1966.

This still has not been released by the Secretary of the Army with a delay of more than 2 years.

Mr. WRIGHT. Would you repeat that?

Mr. CASSIDY. It was on September 7, 1966.

Mr. WRIGHT. In 1966, more than 2 years ago the Board of Engineers for Rivers and Harbors cleared a report on this project.

Was it favorably recommended at that time by the Board of Engineers, Rivers and Harbors?

Mr. CASSIDY. Yes; it was.

Mr. WRIGHT. Has it cleared the Chief of Engineers' office?

Mr. CASSIDY. Yes; it is now with the Secretary of the Army.

Mr. WRIGHT. The Chief of Engineers?

Mr. CASSIDY. Yes, sir.

Mr. WRIGHT. How long ago did that happen, Mr. Cassidy?

Mr. CASSIDY. The report from the field office of the Corps was in 1965. The Corps of Engineers report was September 7, 1966. I do not have any other dates other than those.

Mr. WRIGHT. I gather it may have been sent to the Secretary of the Army and sent back by the Secretary of the Army to the Chief of Engineers for an additional statement.

Mr. CASSIDY. It bounced back and forth several times during the period of the last few years.

Mr. WRIGHT. I can appreciate and I think the committee can appreciate the frustration over this kind of administrative delay. It

is maddening, the pace these things must go after the professionals have made their evaluation. You are not alone. This occurs with respect to numerous projects whereas one time it seemed to be the policy of the Secretary of the Army to accept the decision of the Chief of Engineers presumably upon the assumption that he was the expert and that he had other experts at his disposal.

It has become more and more common for these reports to be delayed and second-guessed and restudied and reanalyzed almost ad infinitum before they ever reach the Congress.

The committee is sympathetic with your plight. I am not certain what we can do within the remaining period of time.

Mr. CASSIDY. I would hope the committee would do this. The authorization was requested of this committee and the Public Works Committee in the Senate and I think after this length of time the committee is entitled to the views of the Corps of Engineers; whether the executive branch continues to drag its feet on these and other projects is another question.

Mr. GURNEY. May I make just one more statement to give you a little bit more information and that is about a year and a half ago after the Corps had conferred with the Secretary of the Army, the project came back to the Engineers with instructions that it be sent to Agriculture who made a thorough examination of the project; and after 6 months their report came in saying that the benefit to the States of Nebraska and South Dakota as estimated by the Corps of Engineers were far too conservative and the benefits to agriculture would be greater. In other words, it was a glowing report. It was then delayed further by sending it to the Interior.

The Department of Interior came back with a favorable report, and now it is awaiting the transfer from the Secretary of the Army over to the Budget.

I believe that covers the information and we certainly appreciate the opportunity to make these longer-than-we-thought short statements.

Mr. WRIGHT. Thank you.

Mr. REIFEL. I want to express my appreciation and the witnesses from South Dakota on these projects. I know you fully understand the frustrations we are facing as a result of as you pointed out the passing back and forth, the findings and more findings, and I know that your members will give us every consideration in regard to action on this particular legislation.

Mr. WRIGHT. Mr. Cassidy, I interrupted you. Did you have any further comments?

Mr. CASSIDY. I wanted to add the endorsement of my association to the projects testified to recently. I have four other statements that I would like to file in addition to my own.

Mr. WRIGHT. Without objection, it is so ordered.

(The prepared statement of Michael Cassidy follows:)

STATEMENT OF E. MICHAEL CASSIDY, EXECUTIVE VICE PRESIDENT, THE MISSISSIPPI VALLEY ASSOCIATION

Mr. Chairman and Gentlemen of the Committee: My name is E. Michael Cassidy. I am Executive Vice President of the Mississippi Valley Association and appear here representing that Association.

Authorization of the project to extend navigation from Sioux City, Iowa to Gavins Point Dam is an essential prelude to the future economic development of the State of South Dakota. In order to keep pace with current trends in agriculture and transportation and to utilize the Missouri River most effectively, this undeveloped 78 mile stretch of river must be developed. It is the only undeveloped reach of the Missouri from Montana to the Mouth at St. Louis—truly the missing link.

Navigation will not only make this area more attractive to industry but will also make the rate structure for transportation more appealing. Low barge rates are always accompanied by low rail rates, which would result in a well-balanced transportation network for the Upper Missouri Basin. Transportation is one of the most expensive commodities which the citizens in the Missouri Valley must buy. And buy it they must, because virtually everything produced or consumed must be brought from or sent to other areas. By its very location, the Upper Midwest is beset by a host of transportation problems. Rail facilities, excellent as some of them may be, are oriented primarily in an east-west direction, leaving an adverse effect on potential north-south trade. Navigation in this region will provide a wholly new mode of transportation and will provide this area with transportation connections to the south and southeast, opening up totally new markets for the farm products of the northern plains. It will also provide this region with a more economical mode of moving its grain products to the markets of the world through the Port of New Orleans.

The extension of navigation to South Dakota is both extremely logical and obviously needed when considered in the overall Missouri River Basin development program. This small segment of the Missouri River between Sioux City, Iowa and Gavins Point Dam is the last remaining open river stretch capable of being made navigable without the expense of locks. Furthermore, this segment of the Missouri River is the only portion of this important watercourse which remains subject to wide meandering to the detriment of full economic development of agriculture, commerce and navigation. Control can be accomplished only by channel realignment, stabilization of caving banks by revetments, dikes and associated works.

Discharges of the Missouri River between Sioux City, Iowa and Yankton, South Dakota are controlled or regulated by Gavins Point Dam. The river, however, in its present state, is free to meander over wide limits and erosion is continually active. Because of this, many farms and cities are vulnerable to potential erosion, creating a loss of the abundant bottomland and its potential for high crop yields.

The Missouri River is one of the greatest natural resources of this Nation. In a very few years, it has changed from an untamed, wild river to a service that is furnishing our land with navigation, irrigation, low flow augmentation, recreation and hydro-electric power. All of this is due to enlightened leaders who looked upon this river as being common property and its improvement a betterment for all concerned. With this in mind, it is difficult to conceive that a very few miles are allowed to remain undeveloped, meander and cause destruction.

The Arkansas River is presently being made navigable. This river will not be open to navigation to Little Rock until the end of this year but industry has already invested more than \$300 million in waterside plants in anticipation of navigation. This same situation has been true along virtually every navigable waterway in the Nation and will also be true on the Missouri River. This is particularly desirable in an era when special efforts are being made by the Federal Government to keep people in rural areas to avoid further complicating the crisis in urban areas.

We would remind this Committee that the first Senate resolution directing a survey of this project was on 18 July 1939. The most recent resolution of this Committee was on 2 February 1960. After more than eight years this Committee still does not have a report. The field offices of the Corps of Engineers gave a favorable report to this project in 1965. After further delays the project was approved by the Board of Engineers for Rivers and Harbors on 7 September 1966. The Executive Branch has arbitrarily delayed the report since that time and there is no indication when or if they will release it.

Mr. Chairman and Gentlemen of the Committee, the Mississippi Valley Association respectfully suggests that this Committee and the Congress reassert its Constitutional prerogatives by directing the Chief of Engineers to submit his report on this project, with or without the comments of the Secretary of the Army and the Bureau of the Budget. We further request that this Committee,

acting on established and proven criteria, approve this project for authorization in the Bill now being considered. The people of the Missouri Basin and the Nation should not be made to suffer further delays simply because the Executive branch of the Government is making another attempt to thwart the will of the Congress. We believe it is long past time for the Congress to reassert itself and this important and needed project provides an excellent opportunity for doing so.

Mr. GURNEY. Senator Hruska of Nebraska and Senator Miller are testifying before the Senate committee in favor of this project.

Thank you, very much.

Mr. WRIGHT. We will now hear from Congressman E. Y. Berry of South Dakota.

STATEMENT OF HON. E. Y. BERRY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH DAKOTA

Mr. BERRY. Mr. Chairman, I am E. Y. Berry, a Representative in Congress from the Second Congressional District of South Dakota. I would first like to thank the committee for the opportunity to speak in support of what is known as the South Dakota and Nebraska Missouri River navigation and bank stabilization project.

When authorized and completed, this project would provide for the needed bank stabilization and navigation channel for another 60 miles up the Missouri River from Sioux City, Iowa, for the benefit of agriculture and industry.

This committee is very familiar with the great developments that have taken place on the Missouri River since the early 1940's. From the development of the famous Pick-Sloan plan calling for the construction of four high dams on the Missouri River in South Dakota and one in North Dakota, we have progressed rapidly and with great economic benefit to the entire area. But it was not without cost to the people of South Dakota. A half-million acres of the best bottom land was inundated, removing it from the tax rolls and removing it from production. It was understood from the beginning that South Dakota would be compensated by the implementation of many programs of river development for multiple purposes. We are on the brink of authorizing the mammoth Oahe irrigation project to return 495,000 acres in the State to full productive levels.

The project before this committee is another example of the type of development envisioned by the Pick-Sloan plan and later the Flood Control Act of 1944.

There are many important reasons for the extension of navigation on up the Missouri.

First, navigation on the river would greatly assist in developing commerce and bolstering agricultural development in the region. The Plains States will be a leading area in meeting the Nation's needs for food and fiber over the next 50 years in addition to providing much of the grain which this country exports. By providing low-cost river transportation, we can insure that the Plains States will be an important contributor and can also insure that an increase to the farmers of \$0.07 to \$0.10 per bushel in the amount saved on transportation costs.

At a time when parity is at 73 percent in an area of the country where transportation costs are the highest in the Nation, it is not hard

to see the great economic impact which this project will have on the nearby States.

Development of the navigation channel will also mean industrial development along the river between Sioux City and Gavins Point Dam, an area with a large share of South Dakota's population and a great potential for economic growth.

Second, however, and just as important to the State as the river traffic which this project would allow, is the bank stabilization program to halt the millions of dollars of damage to farmland by erosion and cutting away of some of the best farmland in the State. This, once again, would serve to bolster the agricultural economy of both Nebraska and South Dakota. At present, some 124,000 acres of Missouri River bottom land are threatened by erosion.

The U.S. Army Engineers evaluate the cost-benefit ratio at 1 to 1.3 for the project, which would cost \$58 million initially; then return annual navigation benefits of over \$1 million, stabilization benefits of over \$2 million, and recreation benefits of nearly \$500,000. District and division approval has been given by the Army Engineers and by the Rivers and Harbors Board, Interior Department, and Agriculture Department.

I urge approval of this important project and am very hopeful that work can begin promptly on another important chapter in our attempt to harness the mighty Missouri.

Mr. BLATNIK (presiding). I recognize our colleague, Jack Edwards, accompanied by Gen. Walter K. Wilson, chairman of the task force, Mobile, Ala.

Congressman, will you please proceed at will and make yourselves comfortable?

MOBILE HARBOR, ALA.

STATEMENT OF HON. JACK EDWARDS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA; ACCOMPANIED BY LT. GEN. WALTER K. WILSON, JR., U.S. ARMY (RETIRED), FORMER CHIEF OF ENGINEERS, U.S. ARMY

Mr. EDWARDS. Thank you very much, Mr. Chairman. It is a pleasure to be here today.

I would like first to ask that the committee receive a statement from Mr. Houston H. Feaster, director and chief executive officer, Alabama State Docks Department. This is the 40th anniversary of the State docks department and they are celebrating at this time. Mr. Feaster could not be here, but he asked that I submit his statement.

(The statement of Mr. Feaster follows:)

STATEMENT OF HOUSTON H. FEASTER, DIRECTOR AND CHIEF EXECUTIVE OFFICER, ALABAMA STATE DOCKS DEPARTMENT

My name is Houston H. Feaster. I occupy the position of Director of the Alabama State Docks Department under appointment from the Governor of Alabama. I have held this position for over five years. My address is Post Office Box 1588, Mobile, Alabama 36601.

The Alabama State Docks is an agency of the State of Alabama and, under Title 38 of the Code of Alabama, is charged with responsibility for the promotion and development of seaports and harbors in the State of Alabama.

Alabama State Docks is the local sponsoring agency for the improvement in Mobile Harbor, Alabama, known as the Theodore Ship Channel project.

Mr. Lincoln Cone of the American Merchant Marine Institute, Inc. of New York City has very generously supplied me with some studies of trend in size of vessels and has granted me permission to make use of such information. I will only touch briefly on the influence of those studies on the need to further improve Mobile Harbor as sought here today.

From information furnished by Mr. Cone I understand that as of 1966 there were 79 vessels in the world fleet of bulk carriers in the 40,000/59,999-ton range with a draft of 39.5 feet. The number of vessels in that range is expected to increase to 228 by the year 2000. In 1966 there were 22 such vessels in the 60,000/84,999-ton range with a draft of 46 feet, and by the year 2000 there are expected to be 77 such vessels in that range.

The value of a port, the value of port expansion, the value of a new port facility all go far beyond the immediate port area itself.

The value of a port to the economy of the entire Nation as well as its immediate value to the state in which it is located was discussed in a study released in September 1966 by the United States Department of Commerce, Maritime Administration entitled "The Economic Impact of United States Ocean Ports."

A port, and indeed any new facility at a port or an enlargement of the potential of a port, stimulates commerce, trade, industry, and employment, and by thus making a key contribution to the economic chain-reaction, creates an even greater potential for the hinterlands served by the port.

As a result of its study, the Maritime Administration found that in the 28 coastal states and the District of Columbia, in which are contained some 117 primary ports, that there is a total of 2.5 million people in domestic employment that can be attributed to exports alone.

The figure of 2.5 million includes 628,400 employed on farms, 1,275,500 employed in manufacture of goods, and 583,000 employed in other activities.

On a national level, the Administration found that over 3.1 million workers were employed in export-related industries.

To come closer home, of the 2.5 million workers in the coastal states the Administration found that in 1960 71,300 workers in the State of Alabama were employed in pursuits attributable to exports. And, to move in even closer, the Administration found in the same study that 9.4 percent of all employment in the State of Alabama is linked to the exportation of commerce.

In addition to its findings on exports the Administration also estimated that 941,200 workers were supported by activities connected with U.S. imports, and this estimate included employment in transportation, handling and distribution, the providing of fuel and supplies to the trade and transportation sectors, the processing of imported raw materials, and the replacement of plant and equipment used up in the handling of imports.

Other figures compiled by the Department of Commerce show that the Nation's imports have risen in phenomenal proportions over the past twenty-five years. In 1940, imports through seaports amounted to 41 million short tons. In 1964 the figure was 224 million tons. In the years between, progression was regular and substantial.

The Department of Commerce also compiles tonnages for individual ports and these figures appear in the Department's Report Form FT-985. For the calendar years 1962 through 1967 the report shows that with respect to imports, 5.1 million tons moved through the Port of Mobile in 1962; 6.6 million tons moved through Mobile in 1963; 7.2 millions in 1964; 8.6 millions in 1965; 9.4 millions in 1966; and 9.0 million tons in 1967. States differently, these figures reveal, using 1962 as 100, that the Port of Mobile had a progressive increase of imports during the five-year period which culminated in an increase of 80 percent in 1967.

I know that about 90 percent of all imports through Mobile consists of raw materials moving in bulk and requiring special facilities for handling from vessel to land transportation or shipside storage.

While our own Bulk Handling Plant at the State Docks is not the only dockside bulk facility at the Port of Mobile, our Plant handled 2.5 million tons in 1962; 2.9 million tons in 1963; 3.5 million tons in 1964; 4.1 million tons in 1965; 4.3 million tons in 1966; and 4.1 million tons in 1967; representing an increase in 1967 over 1962 of 64 percent.

Our present plant is working to capacity at all times but is overtaxed and something must be done in the immediate future to accommodate the ever-increasing flow of import raw bulk materials through the Port of Mobile.

The State Docks owns or has under its control 2500 acres of land in the Theodore Industrial Park located south of Mobile, and has recently completed

a barge canal leading into that area at a cost of \$450,000.00. In the course of procuring land right-of-way for the barge canal, the State Docks at the same time purchased the much larger and necessary land right-of-way for the proposed ship channel at a total cost of \$600,000.00, making a total of over \$1 million already spent by the State Docks in right-of-way and dredging expenses at Theodore.

The State Docks has funds in the amount of \$3 million set aside for the construction of a modern bulk handling plant to be located along the proposed Theodore ship channel. The Theodore site was selected for this new bulk handling facility because it is some 18 miles nearer the Gulf of Mexico than is our present facility for handling bulk materials at Mobile, and because the proposed ship channel could be deepened further, if necessary, as is not the case with the present Mobile ship channel in connection with our Mobile bulk facility, due to a 40-foot limitation over Bankhead Tunnel near the mouth of Mobile River.

However, we cannot finalize the new Theodore Bulk Plant until status of deep water accessibility is determined.

Unlike a single dock or transit shed, a bulk plant requires considerable water-frontage and back up area. This is, of course, readily apparent to anyone visiting our existing facility. And, frankly, there is no such adequate space left available in connection with the present Docks properties in downtown Mobile.

Our conclusion to construct and locate our new and modern public bulk facility on our Theodore properties, and which will require an enlargement of the so-called Theodore Channel in order to accommodate the big colliers that will bring in these materials, is also premised on the availability of large back up areas at Theodore.

Upon completion of our new public facility at Theodore we expect immediately to transfer handling of all iron ore from our present facility at Mobile to the new facility. Our handling of iron ore has increased materially in the last five years from 157,000 tons in 1962 to 650,000 tons in 1967. This means that, in round figures, the new facility at Theodore will immediately have available substantial tonnage from our Mobile facility.

It is my feeling at this time that the transfer of handling of iron ore to Theodore will not result in any reduction in the handling of bulk cargoes at Mobile. A number of items besides iron ore have shown a marked increase in movement in the past five years. Our bauxite movement has increased over 900,000 tons. Ferro-Manganese and Ferro-Phosphorus have increased substantially. We are handling pig iron over our bulk facility and that handling has shown a remarkable growth.

In fact, in my opinion, based on the relative increase in tonnage over the past five years that I have just recited, immediate transfer of iron ore tonnage to Theodore will have little marked effect on the continuing growth of bulk cargo moving through our Mobile plant.

McWane Cast Iron Pipe Company has a new iron making facility under construction at Theodore which, at this time, is about 60 percent completed and will be served by the facilities to be operated by the Alabama State Docks at Theodore. I understand that the raw materials required by McWane in its first year of operation will exceed 300,000 tons, and that this tonnage will increase to over 1,000,000 tons within five years.

The McWane tonnage and the tonnage to be transferred from our Mobile operation permit me to project—and I believe this is conservative—that improvements sought in the Theodore channel should generate in the next five years not less than total of 3 million tons annually of dry bulk cargo for handling through our facility at that location.

Our Theodore plant upon completion will provide immediate employment of from 40 to 60 additional people in operating and supervisory capacities. This means an immediate increase in annual payroll in the Mobile area of about \$100,000.00 and an immediate increase in gross revenues to the State Docks of over \$400,000.00.

On the basis of projection of 3 million tons annually through the facility within the next five years operating personnel should increase to about 85 employees. Estimated annual revenues to the State Docks from increased operation of its plant at that time can be expected to exceed \$1 million, of which about \$150,000 will be disbursed in the form of wages.

In addition to responsibility for the promotion and development of seaports and harbors that Alabama State Docks is also authorized under the Code of Alabama to engage in the operation of a line of railroads at ports. For forty years our Terminal Railway has provided the rail link between the port's facilities at Mobile and the four line haul railroads serving the city.

In furtherance of the rail-phase of our activities, on application, we were granted a certificate of public convenience and necessity to serve by railroad the waterfront and the entire industrial park area at Theodore, connecting with the Louisville and Nashville Railroad at a point near the town of Theodore. Present trackage operated by the Terminal Railway of the State Docks at Theodore is now about 12 miles. We are prepared to increase this trackage as needs of the developing area require.

Of the 3 million tons expected to move through our plant, annually, within five years I estimate that about 2 million tons will be discharged to rail cars for movement to inland destinations. That amount of ore will require about 30,000 freight cars. Annual revenue to the Terminal Railway from the switching of 30,000 cars at Theodore will be about $\$1\frac{1}{2}$ million, of which about \$250,000 will be expended in the form of wages to railroad personnel.

In summary to this point, and aside from benefits to the area from location of industry at Theodore, enlargement of the channel into Theodore as sought should generate within the next five years about $\$1\frac{1}{2}$ million in new revenues to the State Docks and about $\$1\frac{1}{2}$ million in new wages as a direct result of the operations of the State Docks, providing employment for about 100 additional people on the State Docks payroll.

In addition to the value to be placed on new revenues to and new wages from operations of the State Docks at Theodore, valuable considerations in the same respect must also be attached to the employment of stevedores, tug operators, longshoremen, pilots. Custom House brokers, steamship agents and others directly connected with the movement of each and every vessel that carries cargo.

Also, line haul railroads and motor carriers and their employees will benefit from the new tonnage generated by the Theodore complex.

As the Maritime Administration said in its study previously cited, "Ports are of vital concern to every citizen and the community where he lives. They have a tremendous influence upon the economic well-being of all people".

There are a number of studies available which show that when port facilities are upgraded and vessel size is increased that freighting costs go down. It is on that premise that the size of ore carriers and tankers have gradually increased.

I understand, in some cases because of inadequacy of near supplies of iron ore that oftentimes length of voyages today may be several times that of pre-1939 days. If this is so, and I have no reason to believe it is not, then the need for the larger carriers becomes even more obvious.

We at the State Docks are fully aware that our Theodore plant must be planned in keeping with the principle of vessel dispatch, and we intend considerable advance study in design and construction to insure peak performance at all times.

A short time back, our plant at Mobile discharged 60,000 tons of iron ore pellets in 46 hours. This represents a rate per hour of 1300 tons. I am satisfied that if we can get that much efficiency out of our relatively old Mobile plant a rate of 2000 tons per hour is not too much to anticipate of our modern plant to be constructed at Theodore.

Stated differently, I can promise that the State Docks will do its part in providing the right kind of port facilities at Theodore to insure freight savings if Mobile Harbor is enlarged to accommodate the large ore carriers required to produce those savings.

In conclusion, please let me suggest that the several considerations outlined by me demonstrate, in the aggregate, that the improvements of Mobile Harbor sought are necessary and valuable not only to the economic welfare of the Port of Mobile and our surrounding community but to our Nation and to world commerce, and that they are in keeping with and are complementary to technological advances made and still being made in ocean transportation.

Favorable consideration is requested.

Mr. EDWARDS. Mr. Chairman, I know I need not go into any great introduction of General Wilson, having been the Chief of the Corps of Engineers.

We in Mobile consider him one of our great assets since he has chosen to retire to our city. He is a very active participant in the affairs of our city.

I would like at this time to have the general pick up and give his statement to the committee.

General WILSON. Mr. Chairman, as you have stated, I am former Chief of Engineers and I appreciate the opportunity to again meet with this subcommittee.

Today, however, I appear before the committee as Walter K. Wilson, Jr., chairman of Task Force 200, the industrial committee of the Mobile Area Chamber of Commerce, requesting your favorable consideration of H.R. 17992 a bill to modify the project for Mobile Harbor, Ala., of which its study is near completion by the Corps of Engineers, entitled "Survey Report on Mobile Harbor, Ala., Theodore Channel."

I will present for the record my statement and also that of Mr. Houston Feaster, which has been presented by Mr. Edwards already. In the interest of time, I will briefly summarize these statements now.

The Theodore Industrial Park is a public development through a joint effort of the Alabama State Docks, an agency of the State of Alabama engaged in foreign commerce, the Industrial Development Board of the City of Mobile, a nonprofit corporation, and the Mobile Area Chamber of Commerce.

The park is comprised of some 4,000 acres, part of which was originally purchased from the Federal Government. It is $2\frac{1}{2}$ miles below the city limits of Mobile, $3\frac{1}{2}$ miles from the main ship channel.

Surrounding this property are large acreages under few ownerships that will allow expansion. The primary purpose of the development is to provide large industrial sites at reasonable costs and to provide deepwater transit facilities for the movement of bulk commodities by the Alabama State Docks. It is totally a nonprofit venture.

The purchase of the 1,826 acres of the former Theodore Army Terminal for \$975,000 occurred in July 1965, with subsequent additional purchases by the industrial development board in 1966, bringing the total acreage to 4,000 with land cost totaling \$2,500,000.

Shortly thereafter, we were successful in locating the first plant which is now in operation. This is a refinery that produces 10,000 barrels of jet fuel per day from waterborne raw materials. The largest facility currently located in the park is McWane Iron Co., which purchased 1,000 acres of land to manufacture pig iron from imported iron ore fines.

The first unit, costing \$20 million, is now nearing completion, and they have planned three additional units.

These two plants alone will handle more than 2 million tons annually of bulk cargo.

The access to the property by water has been designed by the Alabama State Docks who purchased right-of-way for a channel and turning basin where the Docks plans to build ore-unloading facilities.

The Alabama State Docks expenditures to construct the canal, acquire the right-of-way, construct docks and ore unloading facilities, were approved by the voters of the State of Alabama in 1966.

The State has spent \$1 million for right-of-way sufficient for the ship channel and dredging of the barge canal and now has the money in escrow to design and construct the docks and unloading facilities.

The Theodore development has been a unified effort on the part of numerous public agencies and private enterprises. Aside from the expenditures and commitments by the Alabama State Docks, the State of Alabama Highway Department has constructed roads and has committed to construct with the County of Mobile necessary bridges.

The County of Mobile has constructed roads and committed \$950,000 toward bridge construction.

The water works board has plans underway with surveys presently being made to provide industrial water to the park.

Plans call for 30 to 50 million gallons per day. To provide utilities, the Mobile Gas Co., has spent \$700,000 to deliver gas in quantities necessary to serve heavy industry.

The Alabama Power Co., has spent over \$1 million in the construction of transmission lines and due to the industry requirements in the park, they have had to expand their generating capacity at a cost of more than \$70 million.

A summary of direct commitments in the Theodore development are as follows:

Industrial development board land ¹	\$2, 500, 000
State Docks, ² barge, channel, dredging and ROW	1, 000, 000
State Docks, docks and facilities, initial	3, 000, 000
McWane, ¹ 1st unit of DLM plant, initial	20, 000, 000
Alabama Refining, ¹ 1st unit of refinery, initial	1, 200, 000
Mobile Gas, ² gas transmission main	700, 000
Water Works Board, industrial water	3, 100, 000
Mobile County, ² bridge	950, 000
State of Alabama, ² bridge and roads	5, 150, 000

Total commitments	38, 600, 000
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¹ Total expended to date, \$29,400,000.

² Subject to determination of need and final design.

As you see, there is a very large commitment on the part of local people to carry out this development.

While we do not know the projected tonnages accepted by the Corps of Engineers, we have surveyed customers of the Port of Mobile and made our own studies to project future demand.

The present State Docks bulk plant is operating at capacity handling some 4 million tons annually within the harbor. Expansion of these facilities is a necessity. The Alabama State Docks must construct a new bulk ore terminal to meet the future demands and desires to put it at Theodore in order to complement development of the Theodore Industrial Park for the primary metals industry.

Our projections show that a demand for bulk tonnage to be handled between 1971 and 1975 will average 8,400,000 annually.

One-half of this tonnage will have to be handled at a new facility.

Further, our projections show that the Theodore Industrial Park bulk unloading facility will handle some 47 million tons between 1971 and 1979. Based on findings by the Ford Foundation and published in "Resources in America's Future," our studies indicate that between the years 1980-2000 the Theodore Park bulk handling facility will handle some 426 million tons.

This amounts to an average per year bulk handling for the new Theodore Industrial Park bulk plant of approximately 15,800,000 gross tons per year for the period 1971-2000.

Just as cited above regarding tonnages, neither do we have knowledge of the Corps of Engineers costs of the project. However, we had competent engineering estimates made by a private firm which indicate the Federal cost to be between \$10 and \$12 million at most.

Mobile has been affected economically due to Federal closure of Brookley Air Force Base which is now in the latter stages of phase-

out. This began in November 1964, when 13,000 civilians were employed by the Air Force at the base.

During this period, our main objective, locally and through the efforts of Task Force 200, has been to offset this economic impact promptly. The development of the Theodore Park was one effort by our local people to pull ourselves up by our own bootstraps.

We cannot finalize plans for the maximum Theodore development until we know the status of deep-water accessibility. The county of Mobile and the State of Alabama have provided first-class road detours made necessary when a bridge was removed for the first phase of the canal.

The design of a bridge replacement is dependent upon the dimension and clearance requirements of the channel.

We are convinced that the project is fully economically justified and we earnestly request that you provisionally authorize it, subject to approval of the Secretary of the Army upon completion of his report, so that we can proceed with our plans in this total development; and rapidly recover from the effects on our economy of the Brookley Air Force Base closure by the Federal Government.

Mr. Chairman, I appreciate the opportunity to present this to you.

Mr. BLATNIK. General, you have made a very effective presentation and the participation of your State, your municipal and industry people in this joint comprehensive industrial complex is a very intriguing one and obviously very well thought out.

Our problem is a technical one.

General WILSON. We recognize that.

Mr. BLATNIK. And I assure you Congressman Edwards we will work very closely with you to see if we can get the processing that is required.

General WILSON. Mr. Chairman, we recognize this is asking a lot and it has been done a few times in the past.

We recognize the safeguard of the report must be accepted by the Secretary of the Army and the President favorably.

What we are really asking is that you approve it, if the report turns out to be strong and sturdy and this, in turn, will let us go ahead and get the bridge designed and get the other things done which otherwise will wait.

Mr. Chairman, the community has really been hit by the closure of this Air Force facility.

I am proud of the community for having swallowed it after a fight and for making efforts on the opposite side.

We have tried to bring in new industry. We have exceeded our goal of \$200 million in 5 years by getting \$300 million, to date.

We have picked up our employment almost to where we have caught up but we need this boost in order to bring it back where it was and give us a chance to go.

Mr. BLATNIK. You said it very well.

Are there any questions?

Mr. MCCARTHY. Mr. Chairman, I would just like to make the observation that I am very familiar with Mobile, inasmuch as the company that I was associated with for a dozen years prior to coming to Congress has a large plant in Mobile and has had for many years; that is the National Gypsum Co.

I am, of course, familiar with your distinguished Congressman.

General WILSON. I might say I play golf with the man who runs your plant down there and he takes his money from me.

Mr. McCARTHY. I am very familiar with the very favorable climate for industry in Mobile and the progressive nature of the people and certainly, my experience with the city, if it is any yardstick, this project would serve to enhance the climate for industry where it is needed because of the closing of this base.

I just make that observation about my very favorable experience in Mobile.

Mr. HARSHA. Mr. Chairman, I just would like the record to show that the distinguished gentleman from Alabama, Mr. Edwards, discussed this legislation with me a number of times and has very studiously pointed out the benefits to be gained down there.

I have discussed a number of the problems of the project at this stage and he has been very persuasive in his arguments and has presented a very effective case on behalf of this project.

I did want the record to show his deep and abiding interest in this particular project.

General WILSON. The community is aware of his efforts and we are proud to have him here representing us.

Mr. CRAMER. Mr. Chairman, I might briefly comment, since the gentleman of New York had the privilege of doing so, that I have a kind of business down there too. My mother-in-law is there. She lives across from Mobile Bay and I have had the opportunity of visiting down there and she has taken me out a number of times to become acquainted with the ship channel and the development in the area.

I fully understand the problem. It is a very worthwhile project and, of course, you are one of the finest advocates.

General WILSON. Thank you, sir.

Mr. CRAMER. As is the Congressman from the area.

So far as I am concerned, I think it has considerable merit and I am sure you are familiar with the time problem.

General WILSON. Yes, sir.

Mr. BLATNIK. Mr. Clausen?

Mr. CLAUSEN. Thank you, Mr. Chairman.

General Wilson, I wanted to add to what some of my colleagues have said. Certainly you and Congressman Edwards have made quite a team and the gentleman from New York complimented you for the great progressive attitude you have in Mobile. He has really done his homework. He has talked to me about it in the committee. It is an excellent project.

General WILSON. I hope you can put over a nice straight fast ball that he can knock out of the park.

Mr. EDWARDS. Mr. Chairman, in closing may I say very simply that we are aware of the technical difficulties involved. Certainly, I have no pride of authorship in this particular bill. We are willing to take any restrictions the committee cares to place on this type of authorization, but we are at a very crucial point in this development, in the attempt to come back from this phaseout of our base. There are 17 percent of our work force, I might say, which was involved in this one military base and the projects that the general mentioned that are developing at the Theodore area, are now at the point where this is

just the next logical step and as they progress, if we do not get the authorization here, then we have some steel mills and some dock facilities and what have you that nobody can get to.

It is essential that at this time we find some way, some language that we can write into this bill that will protect the country and this committee and yet, at the same time, authorize this project.

I appreciate the committee's time that you have given us.

Mr. BLATNIK. Thank you, gentlemen. Again we inadvertently got boxed in by an early call of the House at 11 o'clock this morning but we are proceeding very, very favorably.

The hearings will be recessed now until 2 o'clock this afternoon. I am hopeful that we will complete all of the testimony, certainly on those projects in which we have out-of-town witnesses.

(Thereupon, at 12:15 p.m., the subcommittee recessed, to reconvene at 2 p.m. of the same day.)

AFTERNOON SESSION

Mr. BLATNIK. The Rivers and Harbors Subcommittee of the House Public Works Committee will please come to order.

We continue public hearings on navigation and beach erosion projects, and reports and special items.

Our first witness will be our very dear friend and very distinguished chairman and senior colleague, F. Edward Hébert, of Louisiana.

Mr. Chairman, I believe you have a delegation with you. Do you have a statement on your behalf? Proceed at will. The time is yours.

MISSISSIPPI RIVER-MICHLOUD CANAL, LA.

STATEMENT OF HON. F. EDWARD HÉBERT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA; ACCOMPANIED BY J. V. FERGUSON, ATTORNEY, NEW ORLEANS, LA.; LEON GARY, DIRECTOR, DEPARTMENT OF PUBLIC WORKS, STATE OF LOUISIANA, BATON ROUGE, LA.; AND COL. WILLIAM E. LEWIS, NEW ORLEANS DOCK BOARD, NEW ORLEANS, LA.

Mr. HÉBERT. Thank you very much, Mr. Chairman. Thank you for those kind remarks. I can use them in the next 30 days. The elections are on August 25 and I can use those kind words.

Mr. BLATNIK. Off the record.

(Discussion off the record.)

Mr. HÉBERT. Mr. Chairman and members of the committee, I appreciate the opportunity of appearing here today, because the two projects before the committee are both located in my congressional district, one in New Orleans Parish and one in Plaquemines Parish. The first, of course, is the missile place, the NASA installations there. And the Michoud Canal passes there and goes into the Mississippi Gulf, off into the Mississippi River. I have a group of gentlemen here who will testify.

I have always believed in relying on experts, instead of dabbling in things I am not completely expertise in. So, with the indulgence of the Chair, I would introduce these gentlemen and have them make their presentation. Most of them will file their statements.

It is of utmost importance at this particular moment and of interest to the committee, I have just received information that all reports involving these two projects are now in the hands of the Bureau of the Budget, where clearance is expected within a very, very short time.

Mr. Chairman and members of the committee, the first witness I would ask, with your indulgence, to appear in connection with the first project is Mr. Joseph V. Ferguson, who is the attorney representing people in the Michoud area. If you will allow Mr. Ferguson to proceed as he desires, I would appreciate it.

Mr. BLATNIK. Mr. Ferguson, please take the witness chair.

Mr. Ferguson, Congressman Edwin Edwards of Louisiana is a member of the Rivers and Harbors Subcommittee and hoped to be here today. But because he was called out of town on an urgent matter he was not able to be present today. He has asked me to welcome you to the committee in his own behalf and to express his regret that he can't be here to personally welcome you.

Congressman Edwards has also requested that I state for the record on his behalf his support for the Mississippi gulf outlet and Michoud Canal project, and his desire to be of whatever assistance he can be. I assure you, as a member of the subcommittee and full committee, that he is, and has been, and will be of assistance. He is a very effective and respected member.

Mr. Ferguson, please proceed.

Mr. FERGUSON. Thank you, sir.

Mr. Chairman, I appreciate the opportunity of being permitted to appear before you on behalf of the several parties, landowners, and other interested people in the Michoud area.

We come before you to seek your approval for a modification for certain existing waterways in the eastern area of New Orleans. You will see from your record that we have had a report, a very favorable report, I might say, from the district engineer, and duly approved by the Chief of Engineers and Rivers and Harbors Board, and we have been before the Senate committee on this project.

The district engineer has estimated the cost of construction of this modification to be in the sum of \$1,300,000, exclusive of \$20,000 for aids to navigation and a very favorable cost-benefit ratio in the sum or in the ratio of 7-1, which I have been informed is a very high ratio for a project.

Now, in order that the committee may quickly familiarize themselves with the area, I have caused several exhibits to be prepared, and I would like to point them out to you.

This is the area which we are seeking a modification of these existing waterways [indicating].

This channel here is the present Mississippi River gulf outlet, a deep-water channel leading from the Gulf Intracoastal Waterway to the Gulf of Mexico.

This is the existing Intracoastal Waterway which would be modified and deepened for an extent of approximately a mile here [indicating].

This is the existing Michoud Canal, which will be deepened and a turning basin constructed at the northern terminus of this canal.

Now subsequent to the preparation of the report by the district engineer, there have been some additional industrial developments in the area. And this photograph is a photograph taken in looking in a

southwesterly direction, which shows the northern terminus of the Michoud Canal, and this would be the area of the turning basin.

This is the existing chemical complex of Air Products & Chemicals.

Adjoining it is the cement plant of the Oklahoma Cement Co.

Next here, but not quite so clear in this photograph, is the Louisiana materials construction site.

Over here is the Dundee Cement. That is a plant that was put here since the district engineer prepared his report.

And over here is another chemical plant of the Air Reduction Co. So that the committee will observe that we are dealing on this side of the canal with a very highly industrialized area.

On this side of the canal [indicating] is the NASA facility at its Michoud plant.

Mr. BLATNIK. Mr. Harsha.

Mr. HARSHA. I hate to interrupt you. I know you spent a lot of time and effort in this preparation. From my knowledge of this project, it seems to be a very worthwhile project, and has an extremely good benefit-cost ratio. I see no problems with it, so far as the minority is concerned, whatsoever.

I would like to know from the distinguished gentleman from Louisiana if he knows what HEW's comments are.

Mr. HÉBERT. I do not know what their final comments are. They were received as of today and sent to the Bureau of the Budget. I did not read the report. I was informed it had been submitted by HEW and sent to the Bureau of the Budget.

Mr. HARSHA. Assuming they are favorable, and I would assume from what knowledge I have of it now, I see no problems with this.

And if you gentlemen could consolidate your efforts and put it in the record, I think you are in good shape.

Mr. FERGUSON. Congressman, my statement has been filed, which traces out the history of the exhibits, which I will submit with the report for your further consideration.

(The statement of Mr. Ferguson follows:)

STATEMENT OF JOSEPH V. FERGUSON II, ATTORNEY, NEW ORLEANS, LA., ON BEHALF OF AIR PRODUCTS AND CHEMICALS, INC., NEW ORLEANS EAST, INC., INTERNATIONAL AUTO SALES AND SERVICE, INC., OKLAHOMA CEMENT COMPANY, DUNDEE CEMENT COMPANY, LOUISIANA MATERIALS, INC., GERTLER-HEBERT COMPANY, PRATT FARNSWORTH, INC., DIXIE MILL SUPPLY

Mr. Chairman and Members of the Committee on Public Works of the United States House of Representatives.

I am Joseph Ferguson, an attorney in New Orleans, Louisiana. I appear before this Committee to speak on behalf of the local interests sponsoring the proposal to modify the Gulf Intracoastal Waterway from its junction with the Mississippi River-Gulf Outlet to the Michoud Canal, and the Michoud Canal, to provide, in addition to the water transportation now available by virtue of the Gulf Intracoastal Waterway and the Mississippi River-Gulf Outlet, deep water transportation to a rapidly developing industrial area situated in the eastern part of the City of New Orleans. This project has the whole-hearted support and approval of all of the property owners in the area.

I wish to express my thanks and the thanks of the other parties who will speak to you on behalf of this project for the opportunity to appear before this Committee and to present our views.

A report with respect to this proposed modification has been prepared by the U.S. Army Engineering District, New Orleans, Corps of Engineers, New Orleans, Louisiana dated December 18, 1967, which report has been approved by the Division Engineer, the Board of Engineers for Rivers and Harbors and the Chief of Engineers. A hearing was held by the Committee on Public Works of the

United States Senate on May 23, 1968. This proposed modification is presently before this Committee for consideration.

The District Engineer has estimated that the improvements and modification to the existing waterways can be constructed at a cost of \$1,300,000, exclusive of \$20,000 for aids to navigation. He has estimated that the annual average benefits will be in the sum of \$495,000 resulting in a benefit cost ratio of 7 to 1.

To permit you to quickly familiarize and orient yourself with the area involved and its present industrial development, we have caused a current aerial photograph of the area involved to be made and will also submit additional photographs and charts reflecting progress in the area which has taken place subsequent to the report prepared by the District Engineer.

Exhibit 1 reflects existing waterways and the area of the proposed modification. The modification is for a depth of 36 feet and a bottom width of 250 feet. You will observe that we are dealing with a very limited area where modification and improvements are proposed. The area involved is from the juncture of the Mississippi River outlet in the Michoud Canal which is shown on this photograph at this point. It proceeds easterly along the Intracoastal Waterway for a distance of approximately one and one-half miles to the junction of the Michoud Canal which runs in a northerly direction for a distance of approximately one and one-half miles. The proposed modification includes the construction of a turning basin at the northern end of the Michoud Canal.

I direct your attention to the photograph which we identified as Exhibit 1A. Please note on this photograph that the plant of Air Reduction Company which appears in the 1965 photograph appended to the District Engineer's report has now been completed and is in operation.

A plant has been constructed by the Dundee Cement Company at this point, subsequent to the study by the District Engineer.

The property owned by Louisiana Materials Company, a subsidiary of the American Marine Company, is presently being used as a storage area; however, the long range plans of this corporation include the construction of a yard for the building of barges, ships and other vessels.

Pratt Farnsworth has moved its construction yard from another location in the City of New Orleans to its Michoud site here.

I now submit for your consideration Exhibit 2 which is a colored aerial photograph of the Air Products and Chemicals Plant looking in a westerly direction. This photograph shows a portion of the Michoud Canal and lying directly opposite the Air Products Plant on the opposite canal is the NASA Michoud facility.

I submit Exhibit 3, a colored aerial photograph of the Air Products and Chemicals Plant looking in a northeasterly direction. This photograph discloses the facilities originally constructed by Air Products and Chemicals to service barge and other forms of water transportation from its Michoud Plant. These facilities are being continuously improved.

In the extreme upper right hand corner you may observe a portion of the spoil area with respect to which Air Products has granted a spoil disposal right-of-way or easement. In the upper left hand corner it discloses a portion of the property with respect to which Air Products has granted a right-of-way or easement for the construction of the turning basin.

Exhibit 4 is a colored photograph of the Air Products and Chemicals Plant during its operation at night and is submitted as evidence of the continuous operation of this plant.

The concept of modifying the Intracoastal Waterway and the Michoud Canal to provide deep water transportation to that area was originated by several of the industries which had located or planned to locate facilities on the Michoud Canal. One of the originators of this project, Air Products and Chemicals, Inc., of Allentown, Pennsylvania, produces at its plant gaseous nitrogen which it delivers to NASA at Michoud and liquid hydrogen and oxygen which it delivers to NASA at its Mississippi test site and other points of use. Although several locations were available and were considered by management for the location of this plant, the Michoud site was finally chosen because it offered the prospect of deep water transportation at some time in the future which would permit Air Products to expand its plant so that it could manufacture fertilizers, principally anhydrous ammonia, urea, phosphates, potash and nitrogeous fertilizers which it could ship directly to domestic and foreign markets. If deep water transportation is available to Air Products at its Michoud plant, Air Products will be able to offer for sale fertilizers produced at this plant at materially reduced prices to consumers because of substantial transportation savings. At the present time, in many instances, these products must be handled twice, first

into a barge or truck and then into a ship and transportation costs are substantial.

While its Michoud chemical complex was under construction Air Products and Chemicals discussed its views with Mr. Harold Cook, Executive Vice President of New Orleans East, Inc., which corporation is the owner of large tracts of land in the area and is engaged in the development thereof.

The proposal was also discussed with Mr. Williard Robertson of International Auto Sales and Service, Inc., the owner of another large tract abutting the Michoud Canal. The suggestion was reviewed and considered by these companies for some time taking into consideration the possible requirements which might be established by the District Engineer and their ability to satisfy them if the modification was considered worthy. Thereafter, meetings were held with other companies or local interests in the Michoud area, that is, the Oklahoma Cement Company, Pratt Farnsworth, Inc., Gertler-Hebert Company, Dundee Cement and Louisiana Materials, Inc., Dixie Mill Supply Company and the Sewerage & Water Board of the City of New Orleans. All of these property owners agreed that the proposed modification was meritorious and to lend it their support.

Meetings were then held with the District Engineer, New Orleans Engineer District, and members of his staff concerning the proposed modification. Preliminary discussions with them indicated that the proposal was feasible and warranted action.

The local interests next contacted Senator Allen J. Ellender, Senator Russell Long and Congressman F. Edw. Hébert of Louisiana's First Congressional District where the area in question is located, for their assistance to obtain the funds necessary for a study of the proposed modification to be made by the District Engineer. Through their efforts the funds for the study were provided.

A public hearing was held in New Orleans on December 18, 1964, by the District Engineer and was attended by all of the local interests or their representatives as well as many other persons interested in or who could be affected by the proposed modification. No objection to the modification was expressed by anyone at that time or any other time.

The Board of Commissioners of the Port of New Orleans and the Department of Public Works of the State of Louisiana both indicated at the hearing on December 18, 1964, their approval of the proposed modification.

The Board of Commissioners of the Port of New Orleans was requested to act as public sponsor; however, at the time the public hearing was held the requirements of local cooperation were not known and the Board decided to wait until such requirements were established before reaching a determination as to whether or not it could act as the public sponsor.

When the study was completed by the District Engineer, but prior to the preparation of his report of December 18, 1967, the Board of Commissioners of the Port of New Orleans and the local interests were informed of the proposed requirements of local cooperation in order that they might determine if the proposed requirements could be met and satisfied.

These requirements are set forth in his report and in the interest of brevity will be only summarized here. They consisted of: (a) To furnish the United States without cost land, easements and rights-of-way for the construction and maintenance of the modification including suitable areas for the deposit of spoil, (b) Relocation without cost to the United States of public utilities in the area, (c) A release in favor of the United States for damages due to construction, maintenance of the modification and possible erosion, and (d) Provide and maintain public wharf facilities on Michoud Canal.

Many conferences were held with Board of Commissioners of the Port of New Orleans and the various property owners whose property would be involved in satisfying the requirements of local cooperation with respect to the form and nature of the required agreements. All of these agreements have now been prepared and executed by Air Products and Chemicals, New Orleans East, Inc., Higgins, Inc., predecessor in title to International Auto Sales and Service, Sewerage and Water Board of the City of New Orleans, Oklahoma Cement Company, Dundee Cement Company, Dixie Mill Supply Company, Louisiana Materials, Inc., Gertler-Hebert Company and Pratt Farnsworth and Company and delivered to the Board of Commissioners of the Port of New Orleans.

I now submit Exhibit 5 which is a drawing of the Michoud Canal, the turning basin and the spoil disposal areas.

The area colored blue represents the right-of-way in the Michoud Canal and the access to the area reserved for a public wharf granted by its owner, New Orleans East, Inc.

The area colored in yellow represents the area which Air Products and Chemicals has granted a right-of-way or servitude for the construction of the turning basin and the area colored in brown is the area for which it has granted a right-of-way or servitude for spoil disposal.

The orange area represents the right-of-way or spoil disposal area provided by New Orleans East, Inc., and the red area represents the area affected by the agreement with the Board of Commissioners for the Port of New Orleans relating to the proposed public wharf facility.

The area colored in green represents the area with respect to which releases from damage have been granted by the local interests in favor of the Board of Commissioners of the Port of New Orleans and the U.S. Engineers.

The Board of Commissioners of the Port of New Orleans, upon delivery of the above-mentioned agreements, has agreed to be the public sponsor.

Thus it is apparent that the local interests have already satisfied the requirements of local cooperation set forth in the report of the District Engineer.

Colonel William Lewis, representing the Board of Commissioners of the Port of New Orleans, will also appear before this Committee and inform you that the Board is prepared to satisfy the requirement with respect to a public wharf facility.

I further direct the Committee's attention to the fact that the United States will be one of the principal beneficiaries of this proposed modification. The NASA property extends a distance of approximately a mile and one-half along the north bank of the Intracoastal Waterway and approximately a mile along the west bank of the Michoud Canal. Deep water transportation is not presently available in this area. At some future time, the availability of deep water transportation from this property may serve a very useful function for the United States or one of its Departments or Agencies as a deep water transportation point or considerably enhance its value should the site ever be declared surplus and placed upon the market for sale.

In order to reach the area of the proposed modification, vessels will normally use the Mississippi River-Gulf Outlet in entering and returning from the Port of New Orleans, and thus materially increase the use of that waterway.

The modification of the existing waterway submitted to this Committee for consideration, if authorized and funded, will satisfy an immediate and pressing need for the industries located or which will locate in the area in question. For example, Air Products and Chemicals is now prepared to use deep water transportation for shipments from its Michoud Plant. International Auto Sales and Service is prepared to construct a wharf and other facilities on its property and commence the importation of automobiles which may ultimately serve as the focal point of the importation of these automobiles in the Gulf Coast area. Mr. Willard Robertson of International Auto Sales and Service will appear before you and provide additional details as to the extent of this operation.

The area lying behind the Michoud Canal owned by New Orleans East has been set aside for industrial development and as these industries move in they will require deep water transportation in addition to the rail and highway transportation now available. Mr. Cook of New Orleans East, who will also appear before you, will provide additional details concerning their plans for development.

In summary and conclusion I direct the Committee's attention to the fact that we are considering a modification and improvement to existing waterways. This is not a new project, but rather an extension of and better use for existing waterways in this area, in particular, the Mississippi River-Gulf Outlet.

Private industry and individuals recognize the immediate need for this modification, as evidenced by their sustained efforts over a long period of time seeking its approval, culminated by their appearance here and their furnishing without cost to the United States and the public sponsor valuable property rights in the area of the modification, including releases from damages to their properties.

The relatively modest cost of this modification, the benefits which will accrue to the public resulting from lower transportation costs of industry located in the area, the employment by industry of additional skilled, semi-skilled and unskilled labor are all material and relevant to your consideration of this modification.

The District Engineer investigated and evaluated the above mentioned public benefits in his favorable report of December 18, 1967, concerning this modification. As heretofore stated, this report has been approved by the Division Engineer,

the Board of Engineers for Rivers and Harbors and the Chief of Engineers. The progress which has been made thus far is an encouraging example of a United States Department, State Agency and political subdivision, and private enterprise recognizing a need, then working in close cooperation and harmony to satisfy such need.

We now find ourselves at the point where approval by this Committee of this modification is the next step in the road from conception to fulfillment.

We trust that you will assist us in obtaining this necessary modification by your support and approval.

Mr. HÉBERT. I appreciate the suggestion. And that, of course, will be followed immediately by the remaining witnesses. But I would ask the privilege of reading their names and identifying them as such, and have them file their statements for the record.

Mr. BLATNIK. May the staff use this material, because we will go into detail with the Corps of Engineers?

When you commented that it is your understanding that the benefit-cost ratio is high, it is. You are correct. A 7-to-1 ratio is one of the highest, perhaps the highest, of any project that has come before this subcommittee thus far.

Particularly of interest to us was, of course, the quality and the amount of participation on a local level, in the local interests, grass-roots level, the leadership. We not only want to commend you, but it seems to me that projects with that type of leadership and initiative on a local level always succeed most easily here on the national level. We want to congratulate you.

Mr. HÉBERT. The individuals, I would ask them to rise as I introduce them, and file their statements as suggested. Mr. Robert L. Shortle, vice president, Mississippi Valley Association; Mr. Leon Gary, who is director of public works for the State of Louisiana; Col. William E. Lewis, who represents the Board of Port Commissioners, Dock Board, and former district engineer in New Orleans. The others are Mr. Calvin Watts, assistant director of public works, Louisiana; Mr. Fred Drake, who represents Air Products, Inc.; Mr. Harold Cook, executive vice president of New Orleans East, Inc., and Mr. Louis Porterie, who represents the International Auto Sales and Service Co. Mr. Porterie is a well-known attorney whose father was one of our most illustrious attorney generals and member of the Supreme Court.

They will file their statements as you suggest.

(The statements follow:)

STATEMENT OF ROBERT L. SHORTLE, VICE PRESIDENT, MISSISSIPPI VALLEY ASSOCIATION, NEW ORLEANS, LA.

Mr. Chairman, my name is Robert L. Shortle. I am vice president of the Mississippi Valley Association at New Orleans, Louisiana.

This testimony is offered in support of the authorization of the project titled: Gulf Intracoastal Waterway-Gulf Outlet and Michoud Canal, Louisiana, and by direction of the membership of the Mississippi Valley Association.

The Mississippi Valley Association, founded in New Orleans, in 1919, is an association whose membership extends into 36 states and includes a broad cross-section of America's industrial and commercial community as well as manifold public and quasi-public bodies from the several states.

In response to a resolution adopted June 9, 1964, by the Committee on Public Works of the United States Senate, the District Engineer, U.S. Engineer District, New Orleans, Louisiana, completed his report on the subject project in December 1967. His report reveals a benefit to cost ratio of 7.1 to 1.0. We understand the report is presently being reviewed by the State of Louisiana and interested Federal Agencies.

The area involved within the project area is in a developing section of New Orleans. It is served by the Gulf Intracoastal Waterway which has a depth of 12 feet over a width of 150 feet. It is just east of the Mississippi River Gulf Outlet. The Gulf Outlet has dimensions of 36-foot depth by 500-foot width and the recommended improvement for the channel eastward of the Mississippi River Gulf Outlet would be a channel 36 feet deep by 250 feet in width in the existing Gulf Intracoastal Waterway to its intersection with the Michoud Canal with the same dimensions which would be extended into the Michoud Canal with a turning basin at the northern end of the Michoud Canal with minimum dimensions of 800 feet by 800 feet.

Presently, this Canal is served by inland waterway equipment limited to vessels drawing not more than 12 feet, and on the basis that this developing area already has or is anticipating industries that will require deep draft vessel operations, we respectfully request your approval of the project.

At the present time, contingent upon authorization of the project, one company that imports foreign vehicles will provide an annual benefit of \$188,000, and one company dealing with fertilizers will provide average annual benefits of \$307,000 which benefits are sufficient to justify the project and in fact provide the 7.1 to 1.0 benefit-cost ratio. It is patent that with the authorization and construction of the project that additional benefits will accrue through the utilization of the facility by additional industries.

On the basis of the total annual charges of \$69,900 based on a 50-year project life and in consideration of the total average annual benefits over that period of \$495,000 with the resulting benefit to cost ratio of 7.1 to 1.0, it is respectfully urged that this project be included in the presently considered Authorization Bill since no objections have been received from the State of Louisiana and the other Federal Agencies.

STATEMENT OF LEON GARY, ADMINISTRATIVE ASSISTANT TO THE GOVERNOR OF LOUISIANA, AND DIRECTOR OF THE STATE OF LOUISIANA DEPARTMENT OF PUBLIC WORKS

MISSISSIPPI RIVER-GULF OUTLET, MICHLOUD CANAL, LA.

My name is Leon Gary. I am Administrative Assistant to the Governor of Louisiana and Director of the Louisiana Department of Public Works. The Department of Public Works is the planning agency of the State government and is responsible for coordinated development of the water resources of Louisiana. One of its most important duties is improvement and extension of navigation throughout the State. I therefore submit this statement in support of modification of the existing project to provide for enlargement of the existing channels of the Gulf Intracoastal Waterway and Michoud Canal, Louisiana.

AUTHORITY

The report on the Gulf Intracoastal Waterway east of the Mississippi River and Michoud Canal, Louisiana, was authorized by resolution of the Committee on Public Works of the United States Senate adopted June 9, 1964.

PROPOSED PROJECT

The proposed project consists of modification of the existing channels of the Gulf Intracoastal Waterway and Michoud Canal to provide a channel 36' deep over a bottom width of 250' from the Mississippi River-Gulf Outlet to the north end of the Michoud Canal, a distance of approximately $2\frac{1}{4}$ miles including a turning basin 800' x 800'.

DISCUSSION

Industries located along the Michoud Canal handle products hauled by sea-going vessels, export of fertilizers and import of foreign automobiles. The channel at present has a controlling depth of about 19 feet in the Gulf Intracoastal Waterway and about 30 feet in the Michoud Canal. The size of ocean-going vessels needed for exporting and importing cargo used by industries on the canal have loaded drafts ranging 27 to 31 feet requiring a 36-foot depth channel as proposed. Enlargement of the canal will eliminate double handling of cargo for inbound and outbound shipment which is now necessary and will make available additional space for the expansion for the crowded facilities of the Port of New

Orleans. The estimated Federal cost of the project is \$1,300,000 and the benefit cost ratio is 7.1 to 1.0.

RECOMMENDATIONS

On behalf of the Governor of Louisiana, Honorable John J. McKeithen, I recommend authorization of the project, *Mississippi River-Gulf Outlet, Michoud Canal, Louisiana*, as contained in the report by the Chief of Engineers, Department of the Army. Assurances for local cooperation on the project have been furnished by the Board of Commissioners of the Port of New Orleans, an agency of the State of Louisiana. The State Department of Public Works has endorsed the assurances of the Port of New Orleans.

STATEMENT OF WILLIAM H. LEWIS, ACTING DIRECTOR, BOARD OF COMMISSIONERS OF THE PORT OF NEW ORLEANS

The following statement is submitted in behalf of the Board of Commissioners of the Port of New Orleans, an agency of the State of Louisiana, in support of the proposed project for enlargement of the Gulf Intracoastal Waterway east of the Mississippi River-Gulf Outlet and the Michoud Canal to provide ship channels in these waterways.

The Board of Commissioners of the Port of New Orleans created by the Constitution and statutory laws of the State of Louisiana is empowered and charged with the responsibility of constructing and maintaining wharves and other port facilities, of regulating the commerce and traffic of the port and harbor of New Orleans and of administering the affairs thereof in such a manner as may, in the Board's judgment, be best for the maintenance and development of the port. The Board is composed of five members prominently identified with the commerce and business interests of the port. The members of the Board are appointed by the Governor of the State of Louisiana, each to serve a term of five years.

The jurisdiction of the Board of Commissioners of the Port of New Orleans embraces the Parishes (Counties) of Orleans, Jefferson and St. Bernard in Louisiana. The Gulf Intracoastal Waterway from Lake Borgne to the Inner Harbor-Navigation Canal and the Michoud Canal, as well as the Mississippi River-Gulf Outlet, are within the limits of the Port of New Orleans.

In addition to its other duties, the Board was designated by the then Governor Earl K. Long on December 10, 1956, as the assuring agency for the State of Louisiana, to obtain and convey to the United States of America the rights-of-way and spoil disposal areas and to satisfy other provisions of local cooperation required of the State in connection with the construction, operation and maintenance of the Mississippi River-Gulf Outlet, in accordance with Public Law 455, 84th Congress, approved March 29, 1956.

The Chief of Engineers of the Department of the Army has recommended the modification of existing project for the Mississippi River-Gulf Outlet to provide a deep-draft navigation channel in the Gulf Intracoastal Waterway and Michoud Canal by enlargement to a depth of 36 feet over a bottom width of 250 feet from the Mississippi River-Gulf Outlet channel to and including a turning basin 800 feet square at the north end of the Michoud Canal. The report of the Chief of Engineers reflects a benefit-cost ratio of 7.1 to 1.

The recommendations of the Chief of Engineers concerning this project include the requirements that prior to construction local interests shall agree to:

(a) Provide without cost to the United States all lands, easements, and rights-of-way required for construction and subsequent maintenance of the project and for aids to navigation upon the request of the Chief of Engineers, including suitable areas determined by the Chief of Engineers, to be required in the general public interest for initial and subsequent disposal of spoil, and also retaining dikes for disposal of spoil from maintenance dredging, if required;

(b) Accomplish without cost to the United States such utility or other relocations or alterations as necessary for project purposes;

(c) Hold and save the United States free from damages due to the construction and subsequent maintenance of the project, including any erosion beyond the rights-of-way furnished; and

(d) Provide, maintain and operate without cost to the United States adequate public wharf facilities on the Michoud Canal open to all on equal terms.

Note: The italicized portions of subparagraph "a" above did not appear in the requirements of local cooperation as contained in the report of the District Engineer on this project, and were added to the requirements on the recommendation of the Board of Engineers for Rivers and Harbors.

The Board of Commissioners of the Port of New Orleans at a regular meeting held on October 13, 1967, adopted a resolution indicating that the Board was willing and able to provide the assurances of local cooperation, as proposed in the reports of the Division and District Engineers, should the project be authorized by the Congress of the United States; and further, authorized the Director of the Port to sign, execute and deliver to the Corps of Engineers a statement in such form and containing such provisions as in the sole discretion of said Director of the Port shall seem proper, evidencing the willingness and ability of the Board of Commissioners of the Port of New Orleans to provide the required assurances of local cooperation. The assurances of the Board in this regard have been furnished to the District Engineer, New Orleans District, Corps of Engineers, by letter, dated October 19, 1967, and a copy of such letter and resolution of the Board are contained in the District Engineer's project report dated December 13, 1967. The additional requirements of local cooperation as recommended by the Board of Engineers for Rivers and Harbors do not appear to be unduly burdensome and such requirements will be satisfied by the Board.

The Board of Commissioners of the Port of New Orleans has concluded negotiations with the owners of the property adjoining the proposed navigation improvements to the point that the availability of rights-of-way for initial construction and for the deposit of spoil therefrom is assured. Furthermore, the Board has concluded negotiations and possesses an option to purchase a site for the construction of public port facilities on the Michoud Canal. Also, within the Board's Capital Facilities Program for the period 1968-1972, is included a project for the construction of public terminal facilities on the Michoud Canal scheduling the amount of \$4,400,000 for this project. It may be observed, therefore, that the requirements for local cooperation not only have been assured but are in such a status as to permit the immediate initiation and completion of the proposed project.

The plan of development as contained in the report of the Chief of Engineers has been approved by the Board's engineers and such plans are considered to be entirely suitable and completely consistent with the master plan for development and expansion of the Port of New Orleans.

The proposed project not only will serve importantly the trade and commerce of the Port of New Orleans but also will serve and encourage the industrial development of the private lands abutting the Gulf Intracoastal Waterway and Michoud Canal to the economic benefit of the City of New Orleans, the State of Louisiana and the entire nation.

The Board of Commissioners of the Port of New Orleans strongly endorses the proposed project for the deepening and widening of the Gulf Intracoastal Waterway east of the Mississippi River-Gulf Outlet and the deepening and widening of the Michoud Canal as proposed in the report by the Chief of Engineers. The early approval of this project by the Congress of the United States is respectfully requested.

STATEMENT OF FREDERICK B. DRAKE

Mr. Chairman and honorable members of this distinguished Committee:

I am Frederick B. Drake, Director of Purchasing & Real Estate for Air Products and Chemicals, Inc.

Air Products, headquartered in Allentown, Pennsylvania, is active internationally in the design, construction and operation of industrial gas, chemical and fertilizer plants. The photographs of the Michoud Facility presented by Mr. Ferguson, show the relative scale and degree of sophistication involved within a typical Air Products plant complex.

May I first take this opportunity to compliment the Corps of Engineers for their excellent report of December 18, 1967. If all forecasts within this report fare out as well as the statistics predicted for Air Products, I believe you gentlemen can respond confidently and positively to the conclusions and recommendations presented therein.

In comparing actual exports of Anhydrous Ammonia to those projected within Figure 5, Page A16 of the Corps' report, it can be seen that total 1966 through

1968 exports should approximate those forecasted. This will occur despite the effects of Hurricane Betsy, which caused an approximate 50% reduction in 1966 exports.

In 1967 we were just about on target, exporting 46,300 tons and this year we should make up the 1966 deficit by exporting 71,500 tons.

In considering further expansion into foreign markets, Air Products must react in proportion to her relative competitiveness. Of course, the lower our export costs, the more competitive we can become and the greater our incentive for capital investment.

This modification and improvement project will help Air Products reduce the export costs through direct access to deep water transportation. With lower anticipated export costs we become motivated towards consideration of capital expenditures which would otherwise be economically unjustifiable.

Increased capital expansion could allow production cost reductions through the efficiencies associated with expanded volume. Prices could then be lowered within our export markets and help enhance our world position.

Expanded production facilities would also benefit the American farmer by inducing lower domestic prices. With lower cost production capacity, Air Products would expand domestic efforts. This increased supply would stimulate national competition into reducing prices and provide the catalyst for technical improvements of their products.

Deep water transportation ability would also tend to motivate Air Products towards diversification into other commodity exports and to allow the domestic manufacture of certain goods instead of through foreign subsidiaries. These factors, of course, would contribute towards improving this country's balance of trade.

In addition to these economic benefits and to those outlined in the report by the Corps of Engineers are the employment opportunities created for unskilled and semi-skilled workers. We could conceivably aid in the training of "hard-core" unemployed.

Therefore, gentlemen, Air Products strongly solicits your support for this modification and improvement project, and requests your favorable support of the Corps of Engineer's conclusions and recommendation.

Thank you again, gentlemen. I have submitted a copy of my comments for the record.

STATEMENT OF WILLARD E. ROBERTSON, PRESIDENT, INTERNATIONAL AUTO SALES AND SERVICE, INC.

Mr. Chairman, and Members of the Committee on Public Works of the United States House of Representatives:

I am Willard E. Robertson of New Orleans, Louisiana. The business of my company is the importation, distribution, and the sale of automobiles and spare parts for the cars which we sell. My operations involve an area of four states bordering the Gulf of Mexico.

I wish to express my thanks to the Chairman and the Committee for granting me the opportunity to appear and speak on behalf of the proposed modification of the Gulf Intracoastal Waterway, eastward from its junction with the Mississippi Gulf Outlet to the Michoud Canal and in the Michoud Canal.

This modification has been approved and recommended by the District Engineer, New Orleans District, dated 18 December 1967, the Division Engineer, the Board of Engineers for Rivers and Harbors, and the Chief of Engineers.

In support of these favorable recommendations I would like to direct the attention of the Committee to the fact that this report estimated we would import 20,000 vehicles in the year 1965. We actually imported 19,384 vehicles in that year. In 1966, we imported 22,998 vehicles and in 1967, we imported 23,616 vehicles. From these established facts it is evident that the projection of the District Engineer in his report of December 18, 1967 is accurate, and perhaps conservative.

We anticipate receiving 32,000 vehicles in 1968.

The estimate reflected in the District Engineer's Report of a savings of \$3.35 per unit imported is also supported by our statistics, and, as the volume of vehicles imported increases, we may reasonably anticipate that this savings will increase.

If this modification to an existing waterways is authorized, funded, and completed, my company will promptly proceed to construct adequate waterside facilities designed to provide for our present and future requirements. We firmly be-

lieve that in such event New Orleans will serve as a principal port of entry and importation for all vehicles which are destined to be delivered in the Gulf and Middle-west area. This should double the amount of vehicles which we will receive and handle through New Orleans.

The economies inherent in an operation of this magnitude and character will necessarily be passed along to the public by way of a reduction in cost of vehicles offered for sale. Additionally, handling vehicles in the manner contemplated will materially reduce the damages presently sustained to vehicles when docked as mixed cargo, which is the circumstance under which we presently operate. The savings which we will achieve by reason of a lesser amount of damages to vehicles handled will also be reflected in a reduction in price to the consumer.

To emphasize the nature and character of the vandalism and damages which we presently experience, I direct your attention to an instance reported in The Times-Picayune, our New Orleans newspaper, on June 3, 1968, a copy thereof being annexed hereto. You will note that some young people entered the storage area now being used adjacent to the public wharf and amused themselves by driving new cars around and bumping them together, somewhat in the fashion of the "bumping cars" found at our local amusement park.

This kind of vandalism could have been prevented and the resulting loss avoided if the cars had been parked in the type of staging area which is planned for our installation at Michoud.

You have been informed that the local interests, including my company, have done all that has been requested of the local sponsors of this modification. All that remains to be accomplished in order that these known and anticipated savings may be passed on to the public is the recommendation of your committee and the ultimate funding of the proposed modification.

I respectfully request your recommendation and approval of this modification and improvement to the existing waterways.

[From the Times-Picayune, June 3, 1968]

JUVENILES PLAY BUMPING GAME WITH REAL CARS

Police said a group of juveniles decided Sunday night to play bumping cars, but instead of going to Pontchartrain Beach, they picked on the local Volkswagen storage area.

About 30 of the small cars received minor damages as a result of the escapade. Harbor police estimated total damages at \$1,000.

A guard at the storage area said a truck driver who was passing by about 8:30 p.m. told him he saw some lights moving around in the storage compound on the levee near the St. Maurice st. Wharf.

The guard, Gary Roberts, went to investigate and saw several juveniles running down the levee. Upon closer inspection of the cars he found them bumped together and parked in helter-skelter fashion.

The wharf is the receiving area for the cars, which are shipped to the area from Germany. They are stored with some gas in their tanks and the keys in the ignition.

New Orleans police said the matter is under investigation.

The cars are owned by Willard E. Robertson, regional Volkswagen distributor.

STATEMENT OF HAROLD E. COOK

Mr. Chairman, members of the Committee on Public Works of the United States House of Representatives, my name is Harold E. Cook. I am executive Vice President of New Orleans East, Inc., and a resident of New Orleans, La.

I wish to express my thanks and appreciation to the members of this Committee for the opportunity to appear and request favorable consideration of the subject project.

New Orleans East, Inc. is the owner and developer of a 32,000 acre tract of land in New Orleans. We were the seller of all property on the east side of Michoud Canal. The Michoud Canal is also the property of this company.

Since the inception of this project, substantial additional industry has moved into the area. Our overall Master Plan, which has been approved by the City Planning Commission of New Orleans, calls for an area of some 6,500 acres to be occupied by light and heavy industrial plants. Past experience shows that

this type of industry generates substantial traffic on the public water transportation facilities.

This company has met the requirements of the public sponsor in that a site has been reserved for public wharf facilities and an easement or servitude has been granted to the public sponsor and to the U.S. Corps of Engineers on both the fairway and turning basin areas in the Michoud Canal.

We feel that the District Engineer's report is most comprehensive in nature and states fairly what can be expected should this project be consummated. We believe that the completed project presents an excellent opportunity for a much higher degree of use of the presently existing Mississippi River-Gulf Outlet.

MISSISSIPPI RIVER OUTLETS—VENICE, LA.

Mr. HÉBERT. The next project, Venice project.

Mr. Chairman, the additional navigation outlets in the vicinity of Venice, La., is the most worthwhile navigational project to be proposed in south Louisiana for many years. The project calls for deepening and widening parts of Tiger Pass to the west and Main Pass of Baptiste Collette to the east of Venice and to dredge and eventually to rock jetty, if necessary, the mouths of these streams as they enter the open waters. Presently these channels cannot be used for navigation to outside waters because the mouths of these streams are very shallow, caused by silting from the Mississippi River.

The report submitted by the U.S. Army Engineer district of New Orleans, dated December 29, 1967, reveals that the combined benefit-cost ratio is 2.5 and that this project will meet the needs of the oilfield and fishing industries and is well justified for Federal construction and maintenance.

State and local authorities plan the construction of a four-lane highway from New Orleans to Venice which will increase the flow of vehicular traffic to this area. Eight miles of this highway project are now under construction; contracts for the construction of 24 miles will be let this calendar year, and it is anticipated that the remainder of this four-lane highway will be under construction within a 3-year period. The improvement of vehicular traffic will facilitate the movement of oilfield pipe and supplies and will open up use of this area for sport and commercial fisheries—probably the finest fishing area in the United States. Virtually every species of salt water fish are found in the coastal areas near Venice, including blue and white marlin, sailfish, tuna, dolphin, and other types offshore fish; and redfish, speckled trout, red snapper, pompano, mackerel, tarpon, jackfish, and many other varieties of fish which will make this area the greatest fishing paradise in the United States. The multimillion-dollar shrimp, oyster, and menhaden fishing industries will utilize these new facilities; and probably new fish processing and canning factories will be constructed near this new channel.

Fishing vessels from Florida to Texas traveling in an east-west direction along the coast would utilize these channels to avoid having to navigate the extra distance around the mouth of the Mississippi River and to provide them a protected water passage. During inclement weather and in times of storms and hurricanes, a ready and safe harbor would be afforded to vessels in these channels.

The old adage that one picture is worth a thousand words was never truer than in this case where reference to the attached U.S. Department of Interior oil and gas development map shows the evident saving in millions of dollars in transportation costs yearly if this proj-

ect is undertaken. The proposed channels are shown colored in red and the existing channels, South and Southwest Passes of the Mississippi River, in yellow. Note the vast number of productive oilfields and gasfields colored in green and the savings in time to navigate to these fields from Venice, the terminus of the highway and the oil and supply companies' base of operations. The many areas now under Federal mineral lease in the wildcat or early stages of development are in purple; and under State lease in brown. The development of these fields will substantially increase the use of these new channels.

Most of the oilfields within a radius of approximately 80 miles of Venice, including those fields from which the Federal Government will reap hundreds of millions of dollars in royalties in future years will be serviced from this area.

The two existing outlets into the gulf for vessels, South and Southwest Passes of the Mississippi River, are now very heavily traveled, creating navigational difficulties in the lower reaches of the Mississippi River and its passes during unfavorable weather conditions. The construction of these two proposed channels would siphon off a large percentage of the vessels servicing the fishing and mineral industries thus making ship travel in the river safer. The recent increase in ship and barge collisions causing death and untold millions of dollars in property damage will undoubtedly be greatly reduced if these channels are constructed.

The U.S. Coast Guard has recently secured a site for its operations at Venice. These new channels would greatly facilitate the Coast Guard by giving them quicker access to the east and west for their rescue and other operations.

Boat travel to the east between the Mississippi River at Venice and the existing Tidewater Channel through Breton Sound, shown in blue, will be greatly shortened thus facilitating the movement of bar and river pilots who navigate ships through both channels and will provide easy, quick, and money-saving transportation for the U.S. Corps of Engineers who maintain the passes at the mouth of the Mississippi River and the Tidewater Channel.

I recommend passage of this project.

Mr. Calvin Watts will file his statement for the record.

I think they are very expansive and informative. And I believe that both projects meet the criteria of approbation, which the Chair has given.

I thank you, Mr. Chairman, and members of the committee, for your kind consideration and understanding.

Thank you very much.

Mr. HARSHA. May I just make one suggestion, Congressman, that you use your considerable influence with the Bureau of the Budget to expedite their report to us. It will be helpful.

Mr. HÉBERT. I will do what I can with the Bureau of the Budget.

Mr. HARSHA. I am sure that will be fine.

Mr. HÉBERT. I would like to accept the adjectives in front. But I am afraid if the Bureau of the Budget comes through on this, it will be a magna cum laude proposition in spite of me.

Mr. BLATNIK. Thank you very much, Congressman, and gentlemen from the delegation, for your cooperation in the interest of time.

(The statement follows:)

STATEMENT OF ROBERT L. SHORTLE, VICE PRESIDENT, MISSISSIPPI VALLEY
ASSOCIATION, NEW ORLEANS, LA.

Re Mississippi River, Additional Navigation Outlets in the Vicinity of Venice, Louisiana.

Mr. Chairman, my name is Robert L. Shortle. I am Vice President of the Mississippi Valley Association at New Orleans, Louisiana. By direction of the membership of the Mississippi Valley Association, this testimony is offered in support of the enlargement of Baptiste Collette Bayou between the Mississippi River and Breton Sound, and Grand and Tiger Passes between the Mississippi River and the Gulf of Mexico, to a depth of 14 feet below mean low gulf level, over a bottom width of 150 feet, with entrance channels in open water 16 feet deep over a bottom width of 250 feet and jetties to the 6-foot contour, if and when justified.

By virtue of a resolution adopted April 14, 1964, by the Committee on Public Works of the U.S. House of Representatives, the District Engineer, U. S. Corps of Engineers, New Orleans, Louisiana, has completed a study in December of 1967, with reference to providing additional navigation outlets in the vicinity of Venice, Louisiana. The completed study shows a benefit cost ratio of 2.5 to 1.0.

The area in question is a prolific producing area for petroleum, oysters, shrimp, and menhaden. Additionally, it is also a very heavily used recreational area for sport fishing and hunting.

In connection with the petroleum aspects of the area, exploration and development continues at a rapid rate with the Federal Government and the State of Louisiana, as lessors of the water area having a large interest in the mineral production from the area.

Because of the shoaling in the mouths and lower reaches of Baptiste Collette Bayou and Grand-Tiger Passes, vessels serving the Mississippi River Delta offshore area and vessels engaged in commercial fishing operation are required to use either South Pass or Southwest Pass of the Mississippi River over far greater distances than those that would be needed to traverse if the channels were enlarged as requested herein. We are requesting approval of dimensions of 14 feet in depth over a bottom width of 150 feet in Baptiste Collette Bayou and Grand-Tiger Passes with entrance channels in open water 16 feet deep over a bottom width of 250 feet and jetties to the 6-foot depth contour if and when justified to reduce the cost of dredging. It is not anticipated that the construction of the jetties would be needed for several years if then.

The above mentioned benefit to cost ratio of 2.5 to 1.0 is obtained in consideration of annual benefits of \$1,502,000 and annual charges of \$609,500. This favorable benefit to cost ratio is readily apparent when it is considered that the channels in question will accommodate in the first year of their operation approximately 1.9 million tons of commercial commodities. In this connection it is desired to point out that the benefits do not include any consideration of the value of recreation by sport fishermen and hunters.

We understand that the official comments of the various Federal Agencies may not have been received at this time, but on the basis of approving reports from the field departments of these agencies, no objection is anticipated.

Accordingly, we respectfully urge that the project for the Mississippi River, Additional Navigation Outlets in the Vicinity of Venice, Louisiana, be approved by your Committee and included in the Authorization Bill for 1968.

Mr. BLATNIK. Next is our very dear friend, Congressman Edwin Willis, of Louisiana the Atchafalaya River and Bayous Chene, Boeuf, and Black, La.

Congressman, thank you for waiting.

ATCHAFALAYA RIVER AND BAYOUS CHENE, BOEUF, AND BLACK, LA.

STATEMENT OF HON. EDWIN E. WILLIS, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF LOUISIANA; AND DAVID GRAF

Mr. WILLIS. Mr. Chairman and members of the committee, I am glad to appear before you to present this project. My bill H.R. 6525

is really not controversial. This project bears all of the criteria necessary to be, and entitling it to be, put in the omnibus bill.

For instance, the local sponsor has made all assurances of local cooperation. The project was approved by the district engineer in New Orleans, the division engineer in Vicksburg, and the Chief of Engineers in Washington, the Governor of Louisiana and the Secretary of the Army. It bears a favorable cost-to-benefit ratio and finally and most importantly this bill has the blessing of the Budget Bureau. So I say I don't think there is really much point in my taking the time of the committee.

I would like to file, however, a more detailed statement for the record.

Mr. BLATNIK. Without objection.

(The statement follows:)

STATEMENT OF REPRESENTATIVE EDWIN E. WILLIS IN SUPPORT OF THE PROJECT
"ATCHAFALAYA RIVER AND BAYOUS CHENE, BOEUF, AND BLACK, LOUISIANA"

Mr. Chairman and members of the committee, I come before you today to offer testimony in support of perhaps the most significant navigation project which has been proposed for my Congressional District since I first came to Congress twenty years ago.

This project, known as the Lower Atchafalaya River and Bayous Chene, Boeuf and Black, Louisiana, is proposed for Congressional authorization by my bill, H.R. 6525, referred to your committee on March 2, 1967, and intended for incorporation into the 1968 Omnibus Rivers and Harbors Authorization bill.

The proposed improvements are described in detail in House Document 155 of the 90th Congress, 1st Session, dated August 10, 1967. As the committee knows, that Document carries the highly favorable agency reports of the District Engineer, the Board of Engineers for Rivers and Harbors, the Chief of Engineers, the Secretary of the Army, the Bureau of the Budget, the Department of the Interior and the Department of Health, Education and Welfare.

The House Document 155 also carries the strong endorsement of the State of Louisiana, acting through its Department of Public Works. Full assurances have been given by local interests that they will furnish all lands, easements and rights-of-way; will make alterations to roads, bridges, pipelines, cables and other utilities; and will hold and save the United States free from damages.

These assurances of local cooperation (totaling an estimated \$881,000 of the total project cost of \$9,526,000) are reinforced by a formal pledge of support by the Honorable John J. McKeithen, Governor of the State of Louisiana, in a letter of May 26, 1967, addressed to Colonel Thomas J. Bowen of the New Orleans District, Corps of Engineers. The Governor's letter reads as follows:

STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT,
Baton Rouge, May 26, 1967.

Col. THOMAS J. BOWEN,
District Engineer,
U.S. Army, Corps of Engineers,
New Orleans, La.

DEAR COLONEL BOWEN: The rapid expansion of offshore and related industries makes it imperative that adequate channels of sufficient widths and depths be constructed in the Morgan City area. I am, therefore, in full support of the improvements proposed for the Atchafalaya River and Bayous Chene, Boeuf, and Black, Louisiana project.

As Governor of the State of Louisiana, I give the assurances to the Corps of Engineers, U.S. Army, that the requirements made of local interests will be carried out by the appropriate local governmental units.

Inasmuch as there are a number of Parishes to be dealt with, I hereby designate the Louisiana Department of Public Works as the agency to coordinate the efforts of local interests and to see that local commitments are carried out promptly.

The State of Louisiana appreciates the fine work the Corps of Engineers, U.S. Army, has been doing over the years within the State.

Sincerely,

JOHN J. MCKEITHEN,
Governor of Louisiana.

Mr. Chairman, these proposed navigation improvements are intended to increase the dimensions of the several streams encompassed by the project to a depth of 20 feet and a bottom width of 400 feet. The basic purposes of channel expansion to these large dimensions involves the urgent and, indeed, *critical* needs of the offshore oil industry which is bringing hundreds of millions of dollars into the United States Treasury every year.

Local people, local interests and local industry have geared up to provide the petroleum companies with the huge drilling platforms needed to exploit the mineral resources of the Gulf floor in depths of several hundred feet of water. Proper development of these resources hinges on the ability of the industries of the area to transport these structures from the construction sites, through the channels of this project into the Gulf of Mexico—and back from the Gulf when they are in need of repair, modernization and working over.

However, the serious situation we face today is that there are structures being built in the Morgan City area which will have great difficulty in being transported through channels which have limiting depths of from only 8 to 12 feet and which have limiting widths of down to 140 feet.

For example, one of these drilling platforms which I have seen in the initial stages of construction and which will eventually be placed in about 350 feet of water is of such dimensions that when a 140 foot drilling rig is placed on top of it, the total structure will measure some 20 feet taller than the Washington Monument! It will have a base of almost the size of a football field and will weigh 6,500 tons. The committee can well understand the problems in moving such a structure and can visualize the channel requirements of such an operation.

But, Mr. Chairman, before this proposed project is actually realized, structures of even greater dimensions will be awaiting the day when they can be moved from the construction sites into the Gulf. There are existing federal leases offshore of Louisiana in 400 or even 500 feet of water, and the dimensions of the platforms which will be needed in this depth will be significantly larger than the one just described.

It is expected that a structure designed for use in 600 feet of water will be half again as tall as the Washington Monument with base dimensions of 400 feet. The problems of transporting such a structure are self-evident—as is the urgent need for this project.

The benefits to the government of offshore oil and gas operations are just as remarkable as are the dimensions of the offshore structures themselves. Last year, for instance, a lease sale in the Eastern section of Louisiana's Outer Continental Shelf brought more than \$500,000 into the Treasury. This is above and beyond the approximately \$300,000 realized by the Treasury from actual production from existing wells off the Louisiana coast.

The benefits to the local economy are expected to be just as noteworthy. My understanding from local employers of the area—mainly those who are fabricating the drilling structures—is that 4 to 5 *thousand* new jobs should be added to local payrolls once a certainty exists that any structure which needs to be built can be moved from the construction sites out into the Gulf.

This tremendous expansion of employment will be an economic blessing not only to the Morgan City area but to the whole South Central Louisiana area which I represent here in Congress. All of the parishes of my District will be called on to supply these labor requirements.

Under the circumstances, it should be quite apparent that we are dealing with a "blue chip" situation and that the returns to the Federal government, to the local economy, and to the affected industries will be many, many times the amount of the investment in expanding the channels in question.

The authorization and early funding of this project will represent a reinvestment of only a minute fraction of the income which the Federal government is enjoying from development of offshore petroleum and gas deposits adjacent to the Louisiana coast.

Finally, Mr. Chairman and Members of the Committee, let me pay the highest sort of compliment to the many outstanding individuals and organizations of the Morgan City-Berwick area for all of the hard work and conscientious effort they have put forth in proving the absolute need and the incontrovertible justification for this project.

Without their enthusiasm, determination and support since June of 1964 when the Congressional Committee resolutions were adopted calling for a review of the reports on these streams, this effort could never have reached the stage it enjoys today.

It would be inappropriate for me to list the names of those individuals and organizations, knowing that I am bound to miss some whose work has been vital to the success of the project. But representing them all, insofar as their great and unanimous desire to see this project authorized and completed in the shortest possible time, is Mr. David Graf, President of the Morgan City Harbor and Terminal District. I present Mr. Graf to the committee and ask the committee to receive his statement in support of the project.

Thank you, Mr. Chairman.

Mr. WILLIS. Also next to me on my left is Mr. David Graf, of Morgan City, La., where this project is located. He is president of Morgan City Harbor and Terminal District. I would like to file my own detailed statement as suggested and ask Mr. Graf to simply insert his statement in the record, because, as I say, I cannot imagine any controversy over this project, which bears all, including Bureau blessing, all of the criteria usually required to be embodied in the omnibus bill.

Dave, hand your report to the stenographer.

Mr. BLATNIK. Without objection, the statements will so appear.
(The statement follows:)

MORGAN CITY HARBOR AND TERMINAL DISTRICT,
Morgan City, La., June 24, 1968.

COMMITTEE ON PUBLIC WORKS,
House of Representatives,
Washington, D.C.

GENTLEMEN: Reference is made to the report of the Corps of Engineers on Atchafalaya River and Bayous Chene, Boeuf, and Black, Louisiana.

The Corps of Engineers has made a most complete study and submitted an excellent report on this urgently needed project. It is necessary, however, for us to emphasize that events subsequent to the time the Corps obtained its original information have not only confirmed the conclusions reached by the Corps, but point out the urgent need for this improvement to be made as quickly as possible.

Among the many significant items is the fact that in the lease sale held on June 13, 1967, by the Federal Government, a total of \$510 million dollars was paid to the Federal Government for the right to explore the water depths up to 600 feet. In addition, two lease sales since June, 1967, have brought the Federal Government another \$1.2 billion. Just two years ago the deepest producing structures were in about 280 feet of water. Structures will be installed this year in 343 feet of water and a demand now exists for structures in 400 feet of water. The huge rigs, 380 feet wide in many cases, necessary to carry on this work, have now been in operation about three years and will soon need preventive maintenance to continue an economical operation.

The proposed improvements will allow this industry, with its enormous return to the Federal Government, to proceed in an orderly and economical manner to develop the offshore oil mineral resources. With the royalty income to the Government involved approaching over \$200 million dollars a year, it is most urgent to the Federal Government that this improvement keep pace and be constructed at the earliest possible date. Also, it seems to me that a primary consideration is the continued orderly development of an operation that provides tens of thousands with useful employment in this area.

We appreciate the opportunity to review and comment on the report and respectfully request that you give your earliest approval.

Very truly yours,

DAVID B. GRAF, *President.*

Mr. BLATNIK. The project does seem to have all the criteria and all the requirements. The Bureau of the Budget files no objection. It is apparently a badly needed project.

Do you have any other witnesses?

Mr. WILLIS. I might roughly define in a minute the nature of the project.

This project will alter the basic dimensions of these three bayous and the Intracoastal Canal. These three bayous would be improved to be 400 feet wide and 20 feet deep.

Why do we need 400 feet width? Because Morgan City is in the heart of the offshore or tidelands operations in Louisiana and in my congressional district.

These drilling rigs are known technically, actually—and I am telling you the correctness of it—as floating islands.

Some of these rigs, of which there are hundreds, the latest now are producing oil in water depth of over 400 feet. Some of these drilling rigs, the latest type, are actually 80 feet taller than the Washington Monument. Terrific.

Now, in order to repair these rigs, from year to year after hurricanes and normal use, wear and tear, you need these huge width streams to bring the rigs to port to be repaired, to maneuver them around. That is why engineers recommend a dimension of 400 feet width by a bottom depth, a depth of 20 feet. And, as I say, I filed my statement, and Mr. Graf has filed his.

Mr. Calvin Watts, is he here?

STATEMENT OF CALVIN WATTS, ASSISTANT DIRECTOR OF PUBLIC WORKS, BATON ROUGE, LA.

Mr. WATTS. I filed my statement with the committee.

Mr. WILLIS. He is with the department of public works.

Mr. BLATNIK. Thank you for your consideration.

Mr. Calvin Watts, assistant director of public works, State of Louisiana, Baton Rouge—his statement will appear at this point in its entirety.

(The statement follows:)

STATEMENT OF CALVIN T. WATTS, ASSISTANT DIRECTOR, STATE OF LOUISIANA, DEPARTMENT OF PUBLIC WORKS

ATCHAFALAYA RIVER AND BAYOUS CHENE, BOEUF, AND BLACK, LOUISIANA

Introduction

My name is Calvin T. Watts. I am Assistant Director of the Louisiana Department of Public Works. This Department is the planning agency of the State government and has the responsibility for progressive and orderly development of water resource projects in the State of Louisiana. In accordance with its duties, the Department of Public Works is pleased to submit this statement supporting and requesting authorization of the project, *Atchafalaya River and Bayous Chene, Boeuf and Black, Louisiana*, to provide a 20'x400' channel.

Description

The Louisiana Department of Public Works is vitally interested in facilitating the development of all phases of the economy of the State. At this time, Louisiana is particularly interested in developing a navigation channel suited to the needs of the Morgan City and Lower Atchafalaya area which will permit and quicken the pace of much of the potential industrial growth connected with offshore oil activities off the central Louisiana coast. Tremendous revenues to be realized by the Federal government from increased mineral production beyond the historic gulfward boundary of the State of Louisiana makes this project of particular national interest as well as local significance.

The project area is the geographical center of enormous industrial activities in coastal Louisiana. To support the needs of the oil and gas industry, certain industrial services are required, such as fabricating yards for offshore drilling rigs, ship and barge building yards, marine tow and transportation firms, heavy con-

struction and pipeline contractors, marine repair and service establishments, material supply yards, well service organizations, air transportation services, food catering services, and other associated supporting organizations and services.

Transportation connections

The construction of giant offshore drilling rigs and platforms and providing other services involves problems of material supply logistics which make mandatory the location of these plants on highway and railroad facilities. To satisfy land transportation requirements, the head of the proposed navigation channel is adjacent to a major transcontinental highway and railroad—U.S. Highway 90 and Southern Pacific Railroad. The new navigation channel would also be located at the crossroads of the Gulf Intracoastal Waterway, the Atchafalaya River main channel leading northerly to the Mississippi River, and the alternate route to Port Allen and Mississippi River. The project location is approximately equidistant from New Orleans, Baton Rouge, and Lake Charles.

Advantages

Morgan City, Louisiana, is located near the head of the proposed navigation channel. The Morgan City area already contains established firms providing basic required services to the offshore oil and gas operations. All of these services will have to be expanded and new plants established. This area provides adequate room for this required expansion as well as sites for future industrial expansions.

The project requested for authorization offers the advantage of a short access route to the Gulf of Mexico and an unlimited vertical clearance. The existing inadequate depth and width of these channels to and from the Gulf results in either the more costly partial assembly in the builder's yard with final assembly in the Gulf, or the loss of business to a more favorably located plant from the standpoint of adequate waterway dimensions, but at locations remote from its point of use in actual production.

Existing channel widths will accommodate strictly one-way traffic when the structure sections and other offshore equipment are enroute to and from the Gulf. In spite of carefully planned movements and notifications to navigation interests, many costly time consuming delays are encountered as a result of the mandatory one-way traffic. The recommended 400 foot channel width will provide much relief in this direction in addition to permitting movement of completed rigs.

The existing project providing for navigation for Morgan City and the Gulf is titled "Atchafalaya River, Morgan City to the Gulf of Mexico", and has project authorized dimensions of 20'x200'. This channel has never been maintained to full project dimensions due to excessive shoaling. Maintenance dredging has been performed each year since 1958, providing a channel 16'x200', and between dredging operations, the channel continues to shoal to a controlling depth of 12 to 14 feet. Natural channels now provide greater than existing project dimensions between Atchafalaya Bay and Morgan City.

A large number of these large offshore drilling units are portable and can be moved to new locations. After being in service for a sustained period, these structures are in need of inspection and service to remain in safe and dependable condition. This work can best be accomplished by returning the structure to a ship yard where adequate facilities are available. The recommended 20'x400' channel is required to provide this service. Present channel dimensions make it impossible to provide this service at Morgan City.

With the 20' x 400' recommended channel in place, losses of or damage to offshore rigs during hurricanes will be reduced or possibly eliminated. Preventing the loss of one offshore drilling rig could well result in benefits exceeding the total cost of the proposed channel construction. Losses of operational time would also be reduced and large benefits will accrue during hurricane seasons.

A large number of offshore drilling rigs and other craft are designed and constructed for use in oil exploration and production in foreign country locations. Sea-going tugs are required in towing these craft on transoceanic voyages. This operation would be greatly benefited by the tow vessels having sufficient water depths to reach the inland fabricating yards where the drilling rig would be adequately tied and secured for the ocean trip.

Another outstanding benefit of a 20' x 400' channel is providing port access near the work area to ship drilling tenders. These craft usually require depths greater than 20 feet at full load. However, tremendous advantages are offered by being able to return to ship yards and make port calls for various services.

Offshore drilling structures 380 feet wide are presently being designed and

fabricated for use in the offshore areas adjacent to the project location. To provide for movement of these structures, a channel 400 feet wide must be constructed.

Local assurances

The State of Louisiana and local interests has been advised of required local assurances. These assurances have been granted by Governor John J. McKeithen by letter dated May 26, 1967, addressed to Colonel Thomas J. Bowen, District Engineer, Corps of Engineers, New Orleans District. The Governor pointed out in his letter of assurance that a number of parishes are to be dealt with and the Louisiana Department of Public Works has been designated as the State agency to coordinate assurance of local interests and to see that local commitments are carried out promptly. I can assure you that local obligations will be complied with as required.

Recommendation

On behalf of the Governor of Louisiana, Honorable John J. McKeithen, and acting for local interests, the Louisiana Department of Public Works recommends that the project, Atchafalaya River and Bayous Chene, Boeuf and Black, Louisiana, be authorized to provide a 20' x 400' navigation channel as described in and according to House Document No. 155, 90th Congress, 1st Session.

Mr. BLATNIK. Thank you, Mr. Congressman.

Mr. WILLIS. Thank you.

Mr. HARSHA. Did Mr. Graf want to elaborate?

Mr. WILLIS. No. He just filed his statement.

Mr. BLATNIK. I call on my distinguished colleague, Representative Hale Boggs, of Louisiana.

STATEMENT OF HON. HALE BOGGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA

Mr. Boggs. Mr. Chairman, I join with Congressman Willis, who so ably represents the Third Congressional District of Louisiana, in supporting legislation authorizing the expansion of the Atchafalaya River Canal. I have introduced a companion bill, H.R. 12707.

As authorized by the Rivers and Harbors Act of June 25, 1910, the canal connecting Morgan City, La., to the Gulf of Mexico by way of the Atchafalaya River, has become painfully inadequate.

The proposed project would provide a channel 20 feet deep by 400 feet wide. This would accommodate the present traffic and the expected increases in the size and volume of vehicles to be using the canal.

Although this river is in Mr. Willis' district, it would provide an access route for Avondale marine ways in my district. Avondale is the largest and finest equipped shipyard in the United States, and is a contractor for the Defense Department. This project will be invaluable to Avondale's operation.

In addition, there is the problem with marine vehicles with widths up to 380 feet being constructed in the area around Morgan City. These barges cannot be assembled in the area, but must be taken piecemeal into the Gulf of Mexico and assembled, at great risk to life and property.

With the current expansion of the oil industry in this area, and the expected 900 offshore wells to be drilled in the next 3 years, Morgan City is becoming one of the largest ports in the United States for platform and barge construction, maintenance and supply, which is indispensable to the Louisiana offshore oil industry, and, consequently, to the people of Louisiana.

The Army Corps of Engineers has recommended this proposed action, as has the Secretary of the Army, and the Bureau of the Budget has approved its presentation to this committee.

Until now, the offshore oil industry of Louisiana has contributed through lease bonuses approximately \$500 million to the Federal Treasury. This does not include any payments from anticipated future leases.

At this time, in view of the obvious need for an expanded Atchafalaya River Canal and of the investigating committee's reports, I would like to recommend immediate approval of the bill.

Mr. BLATNIK. Thank you, Mr. Boggs.

Congressman David Pryor, of Arkansas.

OUACHITA AND BLACK RIVERS

STATEMENT OF HON. DAVID PRYOR, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARKANSAS; ACCOMPANIED BY H. K. THATCHER, EXECUTIVE VICE PRESIDENT, OUACHITA RIVER VALLEY ASSOCIATION, CAMDEN, ARK.; AND W. EDWIN COX, CHAIRMAN OF THE BOARD, OUACHITA RIVER VALLEY ASSOCIATION, CAMDEN, ARK.

Mr. PRYOR. Mr. Chairman, I would first like to take this opportunity to express our appreciation for your kindness today, to let us appear, and also for the many acts of kindness you have extended to the Ouachita River Navigation project.

We have today two very distinguished gentlemen who will present testimony. They are both from the Fourth Congressional District of Arkansas.

One is Mr. H. K. Thatcher, executive vice president of Ouachita River Valley Association.

The other is Mr. Edwin Cox, who is director of public relations of Monsanto, of Arkansas, who is chairman of the board of the Ouachita River Valley Association.

They are seeking legislation, Mr. Chairman and gentlemen of the committee, to amend the present authorization on the Ouachita and Black Rivers Navigation project, subject to the Rivers and Harbors Act of 1960, which was Public Law 86-645.

Mr. Chairman, I know that you and the other members of the subcommittee are pressed for time and we would like to call right now on Mr. Thatcher and Mr. Cox if they could come forward at this time to present their testimony.

Mr. BLATNIK. Mr. Thatcher and Mr. Cox, will you please take the witness stand.

Mr. THATCHER. My name is H. K. Thatcher, and I am the executive vice president of the Ouachita River Valley Association. I live at Camden, Ark.

I am going to file the statement which I am presenting to you there now, and I have some other statements that I will file at the conclusion of my statement. I will talk extemporaneously.

Mr. BLATNIK. Without objection. So ordered.

(The statement of H. K. Thatcher follows:)

STATEMENT OF H. K. THATCHER

My name is H. K. Thatcher of Camden, Arkansas. I am Executive Vice President of the Ouachita River Valley Association which serves South-Southeast Arkansas and Northeast Louisiana.

The Ouachita River Valley Association appears today with two public witnesses—W. Edwin Cox, Chairman of the Board, and myself. The ORVA seeks legislation to amend the present authorization of the Ouachita-Black River Navigation Project to allow the cost of the additional lands needed for flooding and buffer zones in the Felsenthal Lock and Dam Navigation Pool to be made a part of the project cost.

The original authorization to change the Ouachita-Black River 6½-foot navigation project to a 9-foot project was made in 1950. At that time it was contemplated that the 9-foot depth of channel would be secured by simply dredging the channel deeper. This would have required very little additional lands to be supplied by local interests.

The Ouachita River Valley Association sponsored the project and agreed to assist in securing all of the additional lands needed for lock and dam sites, spoilage areas, and construction easements.

Further study by the Army Corps of Engineers and the Association determined that this was not a good project because the traffic on the river would have to be curtailed for the duration of the construction period which would require about ten years. After completion of the project it could only be a second rate navigation system at its best.

In 1958 the U.S. Army Corps of Engineers began to develop a more practical plan for securing a modern 9-foot navigation project for the Ouachita-Black River. It is proposed to secure the 9-foot channel depth by building four new high-lift locks and dams and raising the water level three feet or more within the channel rather than securing that depth by dredging. In 1960 the Congress made the alterations in the authorization of the project. (Public Law 86-645)

This final plan would allow navigation on the entire length of the 6½-foot channel to continue through the 9-foot construction period with very little interruption. It would provide modern lock chambers 9 x 84 x 600 feet. It called for the construction of forty-nine (49) sharp bend cutoffs, making all river bends have a radius of 900 feet or more. It would increase the water holding capacity of the navigation pools and give the entire project multiple-purpose status. In short, it would give the Ouachita-Black River a first-class navigation system at a much lower cost than the original authorization to dredge the channel and would also save millions of dollars in maintenance costs.

Not having encountered any major problems in Louisiana, the Jonesville and Columbia Locks and Dams are about two-thirds completed. No special problems are anticipated in the upper Calion Lock and Dam in Arkansas, but we have run into some insurmountable difficulties that local interests cannot handle in the Felsenthal Lock and Dam area in Arkansas, which is located above the Arkansas-Louisiana State Line.

Due to a peculiar geological formation in the Felsenthal Navigation Pool area, the banks of the Ouachita River are so low that the present 6½-foot navigation pool, which stands at 61.6 feet m.s.l., permanently inundates about 5,000 acres. When the 9-foot navigation project is raised to 65 feet under the Corps' final plan, an additional 9,500 acres will be permanently inundated. In addition to this the Corps of Engineers must have an elevation of approximately two feet to use as buffer zones against damages from waterlogging and wave-washing. This will require an additional 10,000 acres of land to be supplied by the local interests.

The Ouachita River Valley Association sponsored the 1960 modification of the Ouachita River Navigation Project because it was sound, economically justified, and needed for the full economic and social development of the entire Ouachita River Basin. The Association agreed to aid in securing all of the additional lands needed for inundation and buffer zones requested by the U.S. Army Corps of Engineers. At the time, however, the Association pointed out to the Committees of the Congress that the Felsenthal area presented a problem which might prove difficult for local interests.

In the State of Louisiana the Louisiana Public Works Department functions as the "local interests" and spreads the obligation state-wide. In Arkansas, which unfortunately does not have a Public Works Department, the individual counties involved must assume the obligation of the "local interests."

In the case of the Felsenthal Navigation Pool, the counties are Union, Ashley, and Bradley. Two other counties, Calhoun and Ouachita, make up a total of five counties in Arkansas involved in the whole navigation project.

The office of the District Engineer, Vicksburg District, U. S. Army Corps of Engineers, furnished copies of all of the documents that needed to be signed by the several county judges in order to establish assurances for all of the additional lands needed for flooding and protective areas in the Felsenthal Lock and Dam Complex. The county judges signed all of the required documents in good faith because they were still of the opinion that the greater portion of the required lands for flooding and buffer zones would be donated by the landowners.

That assumption was undoubtedly true until the last few years when land values in this area began to increase. Soybean interests began bidding for the land, timber values began to increase, and other navigation projects began showing up with authorizations wherein the federal government purchased all of the land requirements as part of the project cost.

By the time the Corps of Engineers called for land titles, the county judges were confronted with the fact that they would have to purchase most of the required lands and that land values in the area had advanced to a point where they could not legally make such expenditures from their available county funds.

The Arkansas Attorney General furnished the following statement:

"No county shall levy a tax to exceed one-half of one per cent (of the assessed value of all property) for all purposes (Const. 16, p. 9). The county's appropriation cannot exceed 90 per cent of the taxes levied in any one year (Ark. Stat. 17-411). No county can make a contract in excess of the amount of the annual appropriation (Ark. Stat. 17-416)."

"No County Court—shall make or authorize any contract—in excess of the revenue from all sources for the fiscal year in which the said contract—is made—(Constitution Amendment No. 10)."

Under the statutory and constitutional provisions in Arkansas, it is impossible for the three principal counties involved in the land purchase for the Felsenthal Navigation Pool to make the expenditures that would be necessary in spite of their avowed willingness. They can and will carry out their original agreement to provide the lands needed for the locks and dams, river cutoffs, spoil areas, etc.

At this point the Ouachita River Valley Association, as the sponsor of the Ouachita River 9-Foot Navigation Project, has only three solutions to the problem: (1) abandon this needed and worthwhile project in Arkansas; (2) have the Congress to authorize the Army Corps of Engineers to dredge the 9-foot channel through the Felsenthal Basin; or (3) call upon the Congress to amend the 1950-1960 authorizations for the Ouachita-Black River 9-Foot Project to make the cost of the additional lands that will be flooded in the Felsenthal Pool to become a part of the project cost.

The people are asking for this help because it is something they cannot do for themselves. The Ouachita River Valley Association believes that the favorable benefit cost ratio of 1.5 to 1 of the present project can easily absorb the approximately \$3 million in additional land costs and remain a sound project. Especially is this true because the cost of dredging and maintaining a 9-foot channel through this low land area of the Ouachita River would far exceed the cost of the flooded and buffer zone lands.

The people in the Ouachita River Basin want the presently authorized 9-foot channel in the Ouachita River to be completed to Camden, Arkansas. They will accept any engineering approach the Corps of Engineers may suggest; however, the people see their greatest economic and social advantages developing from the high-lift locks and dams as now proposed by the Corps.

The proposed height of the minimum pool for the Felsenthal Lock and Dam will stand at 65.0 feet m.s.l. At this height a lake of about 14,500 acres will be formed. This will be a tremendous economic asset for all of South-Southeast Arkansas and Northeast Louisiana.

The Felsenthal area of the Ouachita River flood plain is flooded extensively each year. On the average the annual flooding above the 65.0 feet m.s.l., minimum pool stage, shows a duration of 102 days with the average yearly height of the flooding calculated to be 74.5 feet m.s.l. This average is 9.5 feet above the minimum pool stage. The average days of flooding above 70 feet m.s.l. are 49, and the average number of days flooding above 75 feet m.s.l. are 20.

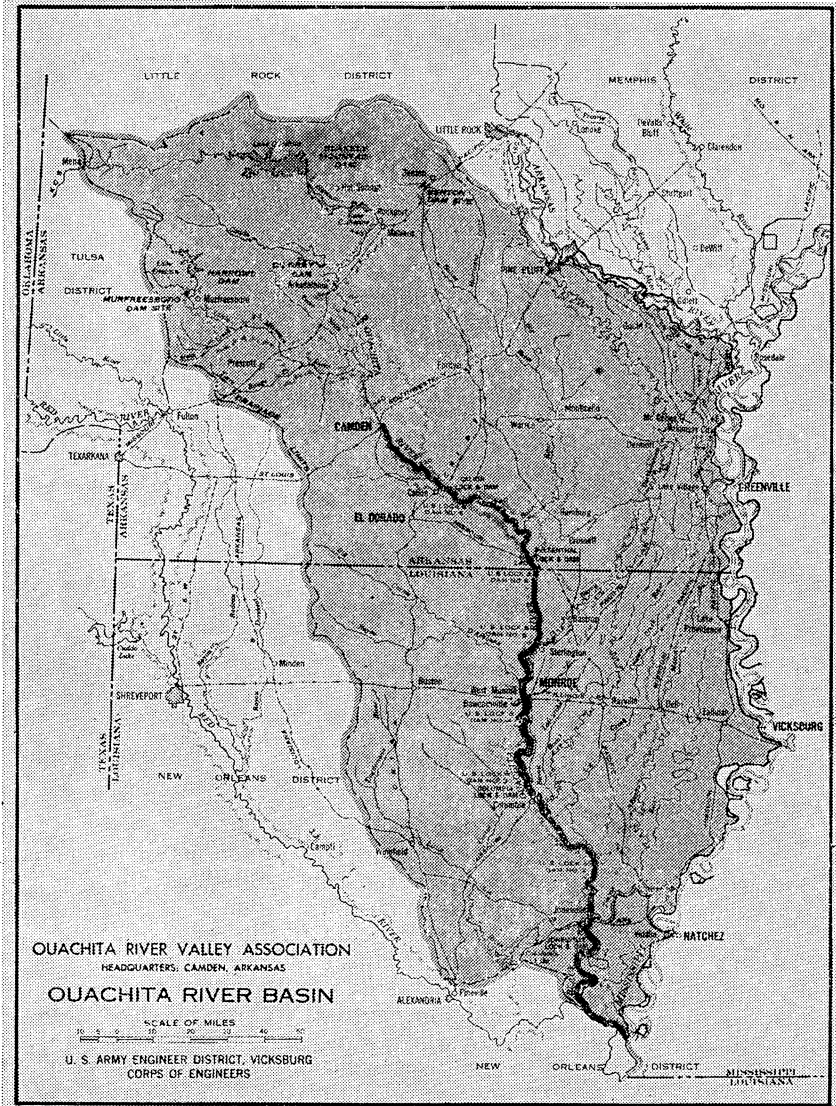
For this and other economic reasons the fish and wildlife interests have proposed a 5-foot increase in the height of the Felsenthal Lock and Dam to operate in the winter and early spring months to form a water fowl resting and feeding

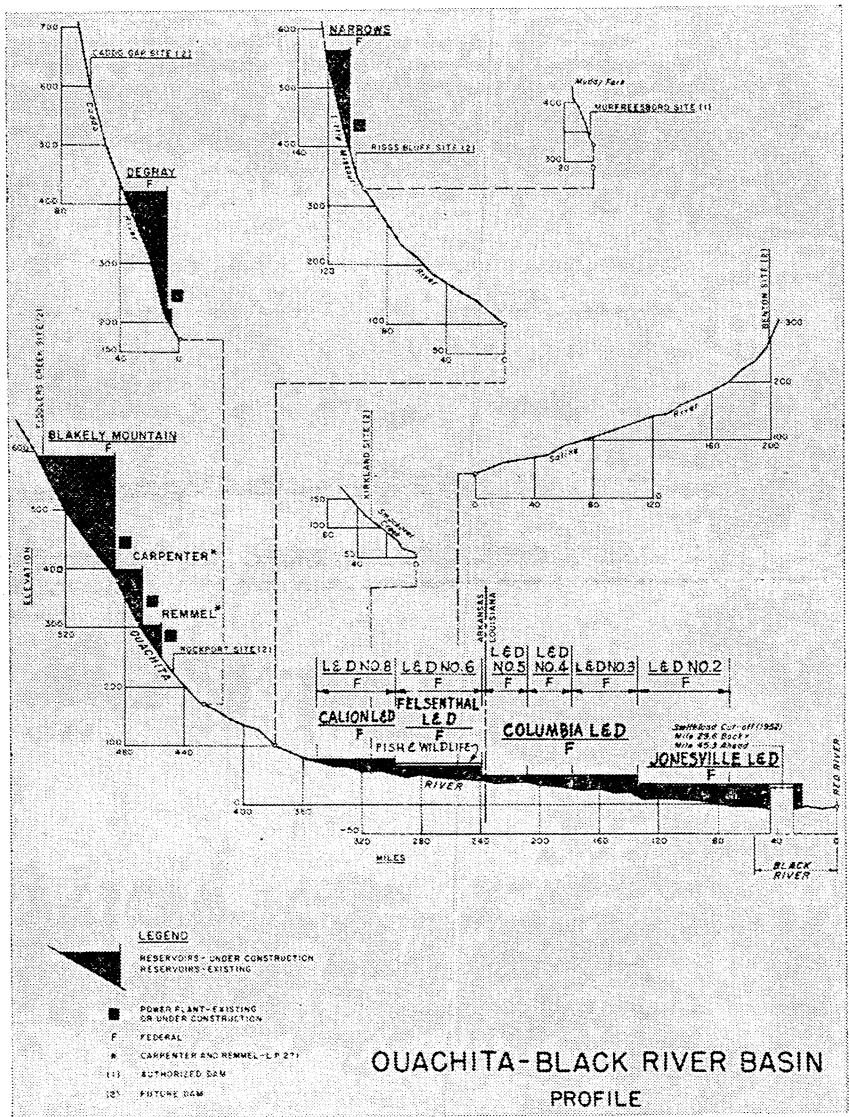
area and fish spawning grounds. This superimposed project would require the inundation of another 12,180 acres, and for the 5-month period it would be operative, the whole project would form a lake of approximately 38,000 acres.

This temporary superimposed body of water would in no way affect navigation. The ORVA believes that the fish and wildlife interests should provide all of the additional flowage rights necessary for such a project. They indicate that this can and will be done.

The primary interest of the Ouachita River Valley Association in this case is navigation, and it hopes to avoid any unnecessary delay in the construction of the 9-foot channel project, by the same token, this Association wants to take full advantage of all possible secondary and regional expansion benefits that will accrue from the super-recreational pool.

Mr. Chairman and Members of the Committee, thank you for hearing us today.





Mr. THATCHER. Our problem is we have a 6½-foot navigation channel in the Ouachita River that has become antiquated and the Congress has very generously given us a 9-foot authorization.

We are progressing very well with that in the State of Louisiana, but when we got into the State of Arkansas we ran into an insurmountable obstacle, so far as our local interests were concerned.

The local interests, of course, had agreed to furnish the rights-of-way and all the spoil areas and what-have-you that usually goes along with this. But that was in the original 9-foot channel authorization.

In 1960, the engineers had restudied it and came up with a very much better project for us. And this would obscure the depth of the channel

by raising the heights of the lock and dam, rather than dredging the river, this being the cheaper method.

This works all right in all parts of the river except one particular part that we are concerned with here today.

When it comes to what we know as the Felsenthal lock and dam.

In addition, the first 6½-foot channel has six locks and dams. The new one will only have four, two in Louisiana and two in Arkansas.

When we got to the Arkansas portion of the 9-foot channel and what we call the Felsenthal lock and dam, we found there a peculiar geological situation that I don't believe exists anywhere else in this country, where the river banks are so low that when you raise the height of the locks and dams just a little bit, you cover a tremendous lot of land.

And we found out by raising the height, according to the engineers' program, to get the 9-foot channel, we actually had to inundate another 9,500 acres of land.

Then the engineers, of course, have to have a bumper area of about 2 or 3 feet elevation, and this adds another 10,000 acres.

In Arkansas, we are a little unfortunate, I guess; certainly not as fortunate as Louisiana where they have a public works department that can act as the local interest. In Arkansas it is the individual county that has to do that. And we have found that when we went to add up those acres and those counties, they did not have the money to do it. They could not do it. And then we also found that we have a State law that prohibits the counties from expending any more than 90 percent of what they can take in each year.

Also out of a constitutional amendment in Arkansas it prohibits the counties from obligating one county judge whose term is only 2 years, over into the next one. So we are stymied. We are stopped.

We have a terrible situation so far as we are concerned. We are perfectly willing to go ahead, and we did agree to furnish all the land that was required, because at one time we thought we were going to get that land almost for nothing. But it has been 10, 12 years since this thing began. Now land values have gone up to the point where we cannot get it given to us.

(Mr. Dorn assumed the chair.)

Mr. THATCHER. And they found out that other Government projects of this nature, the Government is furnishing and buying the land for whatever purpose it is required for.

So the people that own the land say: "If you can buy it elsewhere, buy it from us." So we are in a stymied position. We are asking for something that we cannot do for ourselves. We have about 20,000 acres of land there that really does not add anything to the navigation pool except that it is there and has to be inundated and incidentally the whole cost, I think, of the project, by buying that land and getting the navigation channel, the 9-foot navigation channel that way, is cheaper than if they dug the channel 3 feet deeper to get the 9 feet.

So that is about what we are up against. I have a little map here. This map shows what we are talking about in this particular navigation pool. Just hold it up there, and you can see what we are talking about [indicating].

You can see pretty well the colored part here [indicating.] This is supposed to be blue and that is a different color. That color is the amount of land——

Mr. DORN. Excuse me. You may leave that for the record; if you have an extra map, you might leave it for the record.

Mr. Cox. You have a map with each one of these exhibits.

Mr. THATCHER. This is the enlarged one. I will be glad to leave that for the committee's study.

Mr. DORN. Thank you, sir.

Mr. THATCHER. The other color on there is an added attraction that has been placed into this thing by the Fish and Wildlife people. They want to put an extra 5 feet of water in there and hold it for about 5 months for duck shooting and fishing and it is a marvelous project. But that is over and beyond the navigation. We are particularly concerned now with just the navigation. We favor the other, but we are particularly talking to the navigation part of it.

That is what happens in that particular area where the low banks, the geological situation is such that it just floods all that land. And that is over and beyond anything that we expected. Our local interests simply cannot pay even the small amount that that land will now cost, and we are asking that this Congress give us, or modify that authorization so that the cost of that excessive overflow land will become a part of the project cost. We believe that the engineers will testify to the fact that the project could stand it so far as the benefit-cost ratio is concerned.

I think, Mr. Chairman, unless there are questions, I will call on Mr. Cox, who represents the big industries in that area, to say a few words about the value of getting this project on up the river, because we have to have it. It is our bread and butter, and we have to have this navigation project completed as it was first authorized. He will tell you briefly what the industries feel about it, if I may call on him.

Mr. DORN. Mr. Cox.

Mr. Cox. Mr. Chairman and members of the committee, we are certainly grateful for this opportunity to present our case and we have had the 6½-foot channel since 1924. As Mr. Thatcher explained, it is obsolete now. The industries in that area, of which there are a number, are at an economic disadvantage with other areas with which they are in competition. When they ship anything on a barge, they can only load it approximately half full. And of course, you can see the economics there, that we are suffering from this situation.

This area in which we are located down there is in an area that needs some economic stimulation, and the fact that we are suffering from this situation, and we could get the 9-foot channel, it would certainly give us an economic spurt, and enable us to keep operating plants there that are now having difficulty in operating.

I thank you very much.

Mr. DORN. Thank you very much.

Mr. THATCHER. Mr. Chairman, I have a statement from Mr. H. W. McMillan, who is our legislative committeeman for the association, prepared for this occasion, and I would like to file it. It is pretty well detailed.

Mr. DORN. Without objection.
(The statement follows:)

STATEMENT OF H. W. McMILLAN IN BEHALF OF OUACHITA RIVER VALLEY
ASSOCIATION

I am H. W. McMillan of Arkadelphia, Arkansas, appearing today in behalf of the Ouachita River Valley Association asking for an amendment to the authorization of the Nine-Foot Navigation Project on the Ouachita River. (Rivers and Harbors Act of 1960—Public Law 86-645).

The Ouachita River rises in Western Arkansas and flows southeasterly across Southwest Arkansas and Northeast Louisiana changing to the Black and flows into the Red.

In its original state, the Ouachita was navigable and the first artery of traffic from New Orleans into Central Arkansas. But with the cutting of the virgin timber and the clearing of land, in order to keep the channel open, it was necessary to seek government aid, the first of which was authorized by the Rivers and Harbors Act of March 3, 1871.

The existing locks and dams, which provide a 6½ foot channel, were constructed prior to 1924 and have been obsolete for many years.

The Rivers and Harbors Act of 1950 authorized the modernization of the channel to provide nine foot minimum depths under one of two plans:

(A) the lengthening of the six existing locks from 55'X268' to 55'X525' and deepening the channel by dredging it, and

(B) adjustments to the channel alignment and minor modifications to the locks and dams to provide a nine foot minimum depth approximately 90% of the time.

Before this nine-foot channel could be activated your committee adopted a Resolution (10 August 1957) to review the project. This review resulted in the project authorized by the Rivers and Harbors Act approved 14 July 1960 (Public Law 86-645) which provided for the construction of four new locks of a higher lift in lieu of lowering and lengthening the six existing locks.

This project is now under construction and the two dams in Louisiana are nearing completion. The two dams in Arkansas have not been begun and it is to the first of these dams (which we know as the Felsenthal Dam) that we desire to direct your attention.

The Felsenthal area is a geological anomaly. We understand that nowhere else in the nation can 300,000 cubic feet of water per second flow into the basin and yet only 100,000 feet flow out. The basin is flat and dish shaped and when the water level rises one foot, it floods thousands of acres.

Originally (under the authorization of 1950) the Corps of Engineers proposed to obtain the nine-foot minimum depth by digging the channel deeper, which, of course, would not involve flooding any additional lands.

However, when the project was re-studied (under the resolution of 10 August 1957) it was recommended that the height of the dam be raised 3.5 feet which would inundate an additional 9500 acres of land permanently and perhaps an additional 10,000 acres at various times.

Local interests were required to furnish, free of cost to the United States, all lands, easements, right-of-ways including flowage rights necessary for the construction of the project.

In 1950, when assurances were originally given local interests, it was contemplated by both the Engineers and local interests that only the sites for the lock, the spoil areas and certain access rights-of-way were required. Probably less than 325 acres of sub-marginal land having a true value of not more than \$25.00 an acre would have been involved. (See Table B-4—Appendices to Engineers' Report 15 May 1959).

However, the plan suggested by the Corps in Senate Document 112 (86th Congress) and adopted and authorized by the Rivers and Harbors Act (approved 14 July 1960—Public Law 86-645), envisions that local interests would be called upon to provide approximately 20,000 acres at a then estimated cost of \$1,270,000, which will be more at this time.

The Report (Senate Document No. 112—86th Congress, Second Session, Page 38, Paragraph 54) recognized that—

"Local interests . . . take the position that the informal assurances furnished for the presently authorized project did not envision raising the existing pools, but rather the lengthening and deepening of the locks which

plan would require only modest contributions on the part of local interests. Local interests further state that even though the plans of improvement now being considered all involve substantial right-of-way requirements, their original desire to cooperate has not changed and that they will cooperate to the extent of their financial ability. The Ouachita River Valley Association has indicated that it will undertake to sponsor the efforts of local interests in complying with all requirements of the local cooperation as set forth herein."

A letter from the Ouachita River Valley Association was attached (Page 48) saying:

"There is a feeling among most of the directors that the cost of any additional lands required to be inundated should be a part of the project cost as it is in practically all other navigation projects and especially should this be true in this case where the overall cost of providing the nine-foot depth channel will be less by virtue of raising the height of the lock and dam and the flooding of this additional 12,000 acres. The directors of the Ouachita River Valley Association hope and believe that the Congress will relieve the local navigation interests of this obligation when the subject can be brought before Congress."

This is our reason for being before this committee today—to ask that this authorization be modified so as to permit the Corps of Engineers to acquire the lands which will be flooded by the raising of the locks rather than to place this burden upon local interests which cannot legally sustain it.

The Corps report (Senate Document No. 112—86th Congress, Second Session) considered and discussed seventeen different possible plans for this project.

Plan 14, which, in the report, was shown as Plan D, was the plan which the Congress authorized. This project provided for four new 50' X 400' locks. The one at Felsenthal would be located at the site of the existing lock and dam and would be rehabilitated and raised 3.5 feet. This Plan D would cost \$45,030,000.00 and had a benefit-cost ratio of 1.35 which was greater than any of the other plans considered. The report also noted (Page 28) that the annual maintenance cost of the project can be reduced by raising Pool No. 6 (Felsenthal), because of the reduction of the annual dredging by some \$68,000.00 in this pool.

Plan 15 was identical with Plan D, (the authorized plan) "except that existing Pool No. 6 would not be raised."

The original cost of Plan D. to the Federal Government would be \$43,590,000.00 as compared to \$43,771,000.00 for Plan 15, but the cost to local interests on Plan D. would be \$1,440,000.00 as compared with \$201,000.00 for Plan 15. Actually the total cost of Plan 15 was the cheapest—\$43,972,000.00 as compared with \$45,030,000.00 for Plan D.

The benefit-cost ratio of Plan 15 (with the deepened channel) was 1.34 as compared with 1.35 for the authorized project, and it seems rather clear that the reason for the adopting of the proposed Plan D, raising the pool 3.5 feet and creating a vast lake, was due to the difference in the annual maintenance cost of dredging which was some \$68,000.00 at this pool.

In spite of the fact that local interests had some doubts as to its ability to provide this vast acreage, it undertook, in good faith, to do everything in its power to comply. In January 1962 the County Courts of the various counties involved, which are the proper local interests, entered an Order authorizing the County Judge to sign and deliver, on behalf of the County, assurances of local cooperation as required by the Corps of Engineers and these acts of assurances were executed and delivered to the Corps with proper legal opinions that the County Court was the proper authority authorized to grant such assurances.

While these County Courts are the proper local interests to give these assurances, nevertheless, their legal ability to perform such a commitment financially is extremely limited.

"No County shall levy a tax to exceed one-half of one percent (of the assessed value of all property) for all purposes (Const. 16 p 9). The County's appropriations cannot exceed 90% of the taxes levied in any one year (Ark. Stat. 17-411) no County Court can make a contract in excess of the amount of the annual appropriation (Ark. Stat. 17-416)."

"No County Court . . . shall make or authorize any contract . . . in excess of the revenue from all sources for the fiscal year in which said contract . . . is made . . . (Constitution Amendment No. 10)."

The sum and substance of these statutory and constitutional provisions is that, in spite of the County's avowed willingness to cooperate to the limit of their legal and financial ability, it is impossible for these four small Counties in South Arkansas to expend \$1,270,000.00 for lands to be flooded by this project.

So, we have a project that is economically justified, either by raising the locks and flooding a large area or by dredging. Dollar-wise, there is no difference between the two methods although there may be a decided engineering advantage in raising the locks.

The project is approximately half completed but under the present authorization the Corps of Engineers cannot proceed with the two upper locks because the Arkansas Counties, although willing and legally cooperative, cannot financially provide the funds to acquire the lands required by this plan.

There are three possible solutions.

First, to abandon the upper half (the Arkansas part) of the project recognizing that because of the Counties' financial inability the river can never be restored to its original navigable condition, and the project under construction will have small value or use.

Second, to modify the authorization by permitting the Corps of Engineers to acquire the lands needed as a part of the construction cost of the project just as has been done in many other navigation projects.

Third, authorize the Corps of Engineers to modify its design and dredge the channel in the Felsenthal Reservoir.

The Ouachita River Valley Association respectfully requests this committee to modify the Ouachita Navigation Project as authorized by the Rivers and Harbors Act (approved 14 July 1960—Public Law 86-645) in order that the project may be completed.

We do not express a preference as to engineering approach for we believe that the people of the valley will accept either solution which the Corps of Engineers may recommend.

Perhaps, one other point should be discussed. To the Engineers Report (86th Congress) there was attached a report by the Fish and Wildlife Service indicating that to superimpose an additional four feet onto the raised lock and dam No. 6 would result in vast advantages to fish and wildlife conservation and the Corps of Engineers' present plan is to superimpose this wildlife pool upon the navigation pool.

This would involve an additional 23,000 acres of land which, although not permanently inundated, would be flooded several months in the year. The local interests will also be called upon to provide easements on this additional land. The owners of this land will not give these easements and the land will have to be purchased or condemned, which, of course, the Counties cannot do financially. We understand from local sponsors of this fish and wildlife pool that they will be able to provide from other Federal Funds the money with which to acquire this land and that in fact, the acquisition of the lands for the fish and wildlife pool will not present any problem.

Mr. THATCHER. I have another paper from our county judges. There are three county judges involved in this thing, mostly three. There is actually a fourth, but they have such a small amount it does not amount to very much, and they have presented their reasons for their inability to carry forward.

Mr. DORN. Without objection.

(The statement follows:)

STATEMENT OF HON. JAMES W. EARNEST, COUNTY JUDGE OF BRADLEY COUNTY, ARK.

My dear Mr. Chairman, I am James W. Earnest, County Judge of Bradley County, Arkansas. As a member of the Ouachita River Valley Association, I appeared with County Judge W. T. Higginbotham of Ashley County and County Judge Carlton Jerry of Union County before the Senate Public Works Committee on May 23, 1968, requesting a modification in the Congressional authorization of the Ouachita-Black River Navigation Project to allow the cost of the flooded lands in the Felsenthal Navigation Pool to become a part of the project cost.

This request is made because the three counties most heavily involved are unable to purchase the required acreages due to limited finances and State

statutes which prohibit counties from obligating themselves for more than 90 per cent of their annual income. We regret that time and travel allowances will not permit us to return to Washington for this hearing.

Actually, there are five counties in Arkansas that are involved in the whole Ouachita River Navigation Project; namely, Bradley, Ashley, Union, Calhoun, and Ouachita. Ninety-nine (99) per cent of the Felsenthal Navigation Pool problem affects the first three counties.

I shall confine my remarks to the portion of the reports pertaining to county governments and their relationship to this project.

First, in behalf of the five county governments involved, I should like to express our appreciation to the Vicksburg District of the U.S. Army Corps of Engineers for their spirit of cooperation in furnishing necessary maps and documents to the county governments and the Association.

The county governments from the Louisiana border to the Camden port are all completely in support of this project, realizing its far-reaching importance to our area of the United States. And, even though we have signed assurances and have cooperated to the very best of our abilities, we find that with all our sincere desire to work and cooperate with all interested in the project, we fall short of being able to financially accomplish that which is expected of us. Our county government structure is such that we find it financially impossible to acquire the necessary lands for this much needed and economically sound navigation project.

Attached to this report are legal opinions from the Attorney General's Office of the State of Arkansas, to the Honorable John L. McClellan, which explains some of the legal authorities and limitations of our county governments.

To stress the point, I shall use my own county as an example: To bring the Channel to 9' or 67 M.S.L. will require approximately 2,590 acres in my county alone. Even at a minimum of \$100.00 per acre, the estimated cost would be \$259,000.00. The total General Revenue for 1967 was \$128,295.92. More than half of the General Revenue is required to satisfy Statutory Claims; leaving approximately \$64,000.00 to pay Contractual Claims which are necessary for the proper conduct of the county government. \$117,071.08 was expended for these purposes.

If ways can be found to overcome these problems, the five County Judges representing their county governments, pledge their wholehearted cooperation and support in bringing the 9' Channel on the Ouachita to a reality.

The five County Governments along with the Ouachita River Valley Association respectfully request the Congress of the United States to modify the Ouachita Navigation Project as authorized by the Rivers and Harbors Act approved 14 July, 1960 (Public Law 86-645) in order that this project may be completed.

This report respectfully submitted in behalf of the county governments of Ashley, Union, Ouachita, Calhoun, and Bradley County.

OFFICE OF THE ATTORNEY GENERAL,
Little Rock, Ark., May 11, 1967.

Mr. H. K. THATCHER,
Executive Vice President,
Ouachita River Valley Association, Camden, Ark.

DEAR MR. THATCHER: In regard to our recent conference you stated that the counties making up the Felsenthal Navigation Complex are having some problems in trying to buy title to land in the complex in compliance with applicable Federal Acts. You stated that there are three counties in the project area and that some 20,000 acres are involved at an average cost of \$100.00 per acre; you further said that the counties do not have the revenues to pay cash.

Please be advised that the County Courts are limited in the amount of taxes which they can levy and are specifically limited in the appropriations which they can make. Ark. Stat. Ann. § 17-411 (1956 Repl.), provides:

"The court shall specify the amount of appropriations for each purpose in dollars and cents, and the total amount of appropriations for all county or district purposes for any one (1) year shall not exceed ninety per cent (90%) of the taxes levied for that year."

Also, Ark. Stat. Ann. § 17-416 (1956 Repl.) provides:

"No county court or agent of any county shall hereafter make any contract on behalf of the county unless an appropriation has been previously made therefor and is wholly or in part unexpended; and in no event shall any county court or agent of any county make any contract in excess of any such appropriation made, and the amount of such contract or contracts shall be limited to the amount of the appropriation made by the quorum court."

In view of the above limitation, I see no way in which the affected counties may legally purchase the required land on the "local interest" project.

Trusting the above information will be beneficial to you, I remain,

Very truly yours,

JOE PURCELL,
Attorney General.

By WILLIAM R. HASS,
Assistant Attorney General.

Mr. THATCHER. I have a third resolution from the Arkansas Waterways Commission, which simply endorses what we have done from a navigation standpoint. And I would like to turn that in for the record.

Mr. DORN. Likewise that will be included in the record.

(The resolution follows:)

RESOLUTION

Whereas the Arkansas General Assembly of 1967 established the Arkansas Waterways Commission to act for and in the behalf of the State in promoting, developing and protecting the inland waterway interests in Arkansas, and

Whereas the Ouachita-Black River navigation project to increase the present 6½ foot channel to a standard 9 foot channel was authorized by the Congress in 1950, and amended in 1958 and in 1960, must again be amended if this economically justified and badly needed project with a 1.541 benefit cost ratio is to be completed bringing the 9 foot navigation channel up to Camden, Arkansas, and

Whereas the late modifications of the project have brought about the necessity for the local interests to purchase an additional 24,500 acres of land beyond the original authorization requirements, and

Whereas the local interests, which in the case of Arkansas, must be the immediate counties involved, are not financially able to purchase the lands required and are prohibited by law from obligating themselves for such a sizeable purchase, and

Whereas this land problem is confined to the Felsenthal Lock and Dam navigation pool concerning only three Arkansas Counties and the people involved are only asking for something they cannot do for themselves, and

Whereas many precedents have been established where the Federal government has purchased lands needed for such flooded areas where the benefits were widespread as in the case of this Ouachita River navigation project: Now, therefore, be it

Resolved, That the Arkansas Waterways Commission join with the Ouachita River Valley Association and all of the people in South Arkansas in urging the Congress to amend the existing Ouachita-Black River 9 foot channel navigation project to make the cost of the excess overflow lands needed for the project become a part of the project cost.

Approved this 15th day of May, 1968.

PRATT REMMEL,
Chairman.

CARL OLSSON,
Acting Executive Director.

Mr. DORN. Any questions from the committee?

Mr. HARSHA. I would like to find out where the Corps of Engineers report is on this project now? Where does that stand? Can you tell me?

Mr. THATCHER. Where does it stand?

Mr. HARSHA. Yes. Have they completed their report?

Mr. THATCHER. They have completed it.

Mr. HARSHA. Well, the purpose of your appearance here is for the committee to authorize the purchase of additional land that is going to be inundated by this project?

Mr. THATCHER. We find that we are unable to purchase the land that has to be inundated for this particular project. This is separate and apart from land on which the dam will be placed, and cutoffs in

the river, and overflow, and spoil areas. That is something entirely separate from that.

Mr. HARSHA. How much land is involved?

Mr. THATCHER. Well, according to the Engineers' figures there will be inundated an additional 9,500 acres to get to the top of the minimum navigational pool, 9-foot navigation pool. Then they require an extra 2 feet of land for a buffer area to take care of ground water damage and wave wash, and so forth, and that requires about another 10,000 acres.

Now none of the figures come out the same for each survey that is made, because that land is so flat in there that until you actually get down with an estimate, I don't think you are ever going to know exactly what it is. I am sure it is going to be less than what we have been saying, but I have been using the Corps of Engineers' figures.

Mr. HARSHA. If I understand you right, you need an additional 9,000 and then an additional 10,000, in round figures, to conclude the buffer portion of it.

Mr. THATCHER. For the navigation portion.

Mr. HARSHA. We are talking roughly in the neighborhood of 19,000 to 20,000 acres. Can you give us an estimate as to the cost?

Mr. THATCHER. Well, I think the cost is going to run around \$100 an acre.

Mr. HARSHA. \$2 million?

Mr. THATCHER. I believe that is what it is going to cost. Now maybe it will cost less than that when we get down to the actual figure. It is a negotiable thing.

Mr. HARSHA. What is the land used for now?

Mr. THATCHER. The land is in timber now. However, some folks, and I think they are foolish folks, are trying to clear some of it up to grow soybeans on it; but they cannot possibly, according to the records, get more than three crops every 5 years, maybe not that often. They think they can. And as long as they think they can, well they bid for the land. And so that has had a tendency to make the land go up. All prices have gone up, and they have found some new ways to use some of that hardwood timber.

It is all hardwood, no pine at all, all hardwood, and a relatively low-grade hardwood. But it has value, and they want the value out of it.

Mr. HARSHA. Has there been any recent sales of comparable land in that area so we know what the average market value would be?

Mr. THATCHER. Well, so far as I know, none has been sold in there. I knew a year or two ago there was an offer made to sell a tract of \$25 an acre and nobody wanted to buy. Then all of a sudden the price began to go up. And some land has been traded in there.

Some of the big companies have traded land; but so far as I know, no money values have been attached to it.

Mr. HARSHA. Thank you.

Mr. DORN. Mr. Cramer.

Mr. CRAMER. No questions.

Mr. DORN. Thank you, Mr. Thatcher, and thank you, Mr. Congressman.

Mr. PRYOR. I might just add this, that we feel this is a most worthwhile project. There have been several million dollars expended on this

project. We feel that roughly this \$2 million that we anticipated at this point and did not anticipate the Federal Government outlaying before hand, we feel that without this money that our project will possibly come to a standstill. And we want to thank the committee very much for the many acts of kindness in the past.

Mr. DORN. Is this in your district?

Mr. PRYOR. This particular location is in our district. Various parts of the project are in other districts and go down into the Louisiana area. We do thank the committee very much.

Mr. DORN. We appreciate the Congressman for being with us and bringing your constituents before the committee.

Mr. Dulski, we are delighted to have you. Go ahead and proceed.

BUFFALO, N.Y., LAND CONVEYANCE (H.R. 510)

**STATEMENT OF HON. THADDEUS J. DULSKI, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF NEW YORK**

Mr. DULSKI. Mr. Chairman, my esteemed colleagues of this Subcommittee on Rivers and Harbors, I appreciate the prompt action you have taken on H.R. 510. I have a very brief statement. And then, of course, we have here with us Mr. Baker, who is from the Parks Department, City of Buffalo. I just want to tell Mr. Harsha that there is no cost involved in this.

Mr. HARSHA. Congratulations.

Mr. DULSKI. I appreciate very much your prompt consideration of my bill, H.R. 510, to provide for the conveyance of certain real property of the United States, underlying Lake Erie, to the city of Buffalo, N.Y.

What is involved in the legislation is the title to certain underwater lands along Lake Erie at a point known as Times Beach where the city of Buffalo proposes to develop a recreation area, including a large swimming pool.

Title to the land was believed to rest in the State, but a search raised doubt on ownership. The Army Corps of Engineers has determined that ownership now rests in the U.S. Government.

The city feels that it cannot proceed with its recreational development unless it has title to the property.

As you know, Mr. Chairman, both the Department of the Army and the Department of Interior have recommended approval of my bill with certain amendments.

The Army wants to retain the right to use the submerged lands for a spoil disposal area for materials dredged from the Buffalo Harbor project. The Department of Interior agrees, but feels a terminal date of 1971 should be placed on the Army rights.

Mr. Chairman, my home city of Buffalo is anxious to proceed with this project and has been frustrated by the delay and confusion over the ownership of the lands.

I hope that the subcommittee will recommend approval of my bill for conveyance to the real property to the city of Buffalo, N.Y.

Mr. DULSKI. I will ask Mr. Baker to continue to give the expert testimony.

STATEMENT OF NELSON BAKER, PARKS DEPARTMENT, CITY OF BUFFALO, N.Y.

Mr. BAKER. Thank you, Congressman. Thank you, your honorable committee, for being able to appear here. I would like to read this statement and leave it with your committee.

Your honorable committee is presently considering a bill to convey to the city of Buffalo, without consideration, approximately 51 acres of underwater lands adjacent to so-called Times Beach, in the city of Buffalo, N.Y.

This area is adjacent to a parcel of approximately 11 acres of up-lands previously conveyed by the U.S. Government to the city of Buffalo in 1952 for park purposes.

It is the intention and desire of the city of Buffalo to use the entire 62 acres for park purposes for the benefit of the public.

After the 11 acres were conveyed by the U.S. Government, the city found that the acreage was too small for the type of park desired, which was for picnicking and boating purposes, and efforts were made to obtain the additional underwater lands for the purposes necessary to carry out the intentions of the city.

Maps of the area in question indicated that the underwater land was owned by the State of New York, and previous efforts had been made to obtain title from the State. However, after careful examination of the records, it was finally determined, after many years of research, that the State of New York had previously, in 1906, conveyed these lands to the U.S. Government. The question of title was finally determined by counsel for the United States Corps of Engineers, Buffalo District, in an opinion rendered in October 1966. Thereafter, such information was conveyed to Congressman Dulski, who thereupon introduced a bill in Congress for the purpose of conveying such land to the city of Buffalo for park uses. Such bill was subsequently referred to your honorable committee.

Thereafter, it was my understanding that your committee referred the matter to the U.S. Corps of Engineers for their report. After the Corps of Engineers received such referral it communicated with the city of Buffalo, and a representative of the city discussed the matter with the Corps of Engineers in Washington. In the course of such discussion, the Corps of Engineers indicated to the city of Buffalo that it desired to fill such area with dredge materials and requested that the city indicate in a resolution by the common council that such conveyance be subject to the rights of the Corps of Engineers to fill the area with dredgings from the Buffalo River. Subsequently, the city of Buffalo, pursuant to resolution No. 116, common council proceedings of October 10, 1967, enacted the required legislation, a copy of which has been forwarded to your honorable committee by the U.S. Corps of Engineers.

Pursuant to the resolution enacted by the Common Council of the city of Buffalo, the city of Buffalo has agreed that the Corps of Engineers may use such land for the purposes of filling the same with dredging material. As soon as the area has been completely filled with dredging matter, the city of Buffalo will place thereon topsoil to make it available for park purposes and build thereon the facilities to utilize the area as a park. The present plans for such area are to build base-

ball diamonds, tennis courts, picnic areas, and an area for passive recreation. It is the desire of the city of Buffalo to commence with this park and recreational area as soon as it has been filled by the Corps of Engineers, and it is respectfully requested that your honorable committee act favorably on the bill presently before it.

Mr. DORN. Thank you, Mr. Baker.

Are there any other statements that you want in the record, Congressman?

Mr. DULSKI. No, there is not. There is just the dispute of title, and I think that has been cleared through the courts. My statement says the Army wants to retain the right to use the submerged lands for a spoil-disposal area for materials dredged from the Buffalo Harbor project. The Department of the Interior agrees, but feels a terminal date of 1971 should be placed on the Army rights.

Mr. BAKER. I am putting in the record our council proceedings.

Mr. DORN. Without objection, it will all be included in the record. (The information referred to follows:)

CITY CLERK'S OFFICE,
CITY HALL,
Buffalo, October 13, 1967.

To Whom It May Concern:

I Herby Certify, That at a Session of the Common Council of the City of Buffalo, held in the City Hall, on the Tenth day of October 1967, a resolution was passed, of which the following is a true copy:

No. 116

UNDERWATER LANDS ADJACENT TO TIMES BEACH

[Item No. 227, C.C.P., September 12, 1967]

Whereas, The City of Buffalo, for a number of years, has expressed its interest to acquire, for use as a park and recreational area, the underwater lands in Lake Erie adjacent to Times Beach, so-called, to effect beautification of the lakefront of the City of Buffalo, and

Whereas, there is now pending before the 90th Congress, First Session, H.R. 510, introduced by Congressman Thaddeus J. Dulski, providing that the Secretary of the Army shall convey, without monetary consideration, to The City of Buffalo, the right, title, and interest of the United States in and to the real property underlying Lake Erie containing approximately 51 acres or more, as more particularly described therein, commonly called and designated in the City of Buffalo as "underwater lands adjacent to Times Beach", and

Whereas, said Bill was referred to the Committee of Public Works of Congress, which Committee has requested the Corps of Engineers of the United States Army to make a recommendation regarding the conveyance, and

Whereas, the Corps of Engineers had indicated that it desires to fill such underwater lands in the area, the subject of the aforesaid Bill, with dredge materials from the Buffalo River and Lake Erie and has requested that the City agree to the use of such land by the Corps of Engineers for such purpose as a condition to recommending the approval of the conveyance, and

Whereas, it is for the best interests of the City to accept a conveyance, without monetary consideration, from the Secretary of the Army of the United States on the terms and conditions hereinafter specified so that the lands underlying Lake Erie, hereinbefore mentioned, can be used as a park and recreational area: Now, therefore, be it

Resolved, That The City of Buffalo does hereby agree to accept, without monetary consideration, from the Secretary of the Army of the United States, a deed or instrument of conveyance to the real property underlying Lake Erie, more specifically described in the aforesaid H.R. 510, subject to the following terms, covenants, and conditions, to wit:

(a) That the Corps of Engineers of the United States Army, its agents, servants, or employees, General Contractors or Subcontractors, shall be allowed,

permitted, and authorized to have access to, and egress from, the aforesaid underwater lands for the purpose of diking and filling the same with dredge materials from the Buffalo River and Lake Erie for a period not exceeding four years; provided, however, that the period of four years shall be deemed extended until such time as is needed by the U.S. Corps of Engineers to complete a project commenced within the four years period;

(b) That, during the period the Corps of Engineers is diking and filling the underwater lands, at its own cost, the City of Buffalo will not exercise any power, authority, or domain over the same to interrupt, interfere with, or delay the project of the Corps of Engineers, and

(c) That, in the event the Corps of Engineers completes the dike or fill of the underwater lands prior to the four years hereinbefore provided, or abandons the project at any time before the four years expire, for any cause whatsoever, upon written notice thereof forwarded to the Common Council, at Buffalo, New York, The City of Buffalo will thereupon be authorized and empowered to take possession thereof to use the same as a park and recreational area, and

(d) That, as a part of the consideration for the conveyance of said underwater lands, as herein recited, The City of Buffalo agrees that, upon such underwater lands being diked and filled with the material, or upon the abandonment of the Project by the Corps of Engineers for any cause whatsoever, as above stated, it will thereafter develop and use the real property underlying Lake Erie described in H.R. 510 for a park and recreational area.

Recommended by Committee on Finance, Andrew J. Morrissey, Chairman.

Passed.

Ayes: Black, Buyers, Dudzick, Elfvin, Franczyk, Gorski, Johnson, Lewandowski, Makowski, Mitchell, Morrissey, Perla, Regan, Whalen (14).

Noes: Lyman (1).

I further certify the above resolution was approved and signed by the Mayor, October 11, 1967 and returned to the City Clerk October 11, 1967.

Attest:

(signed) *City Clerk.*

Mr. DORN. I also want Congressman Dulski to know that our good colleague Mr. McCarthy of this committee will also have a statement.

Mr. Harsha?

Mr. HARSHA. I would like to point out that we have got several problems with this bill, Mr. Chairman. One is that the United States maintains it owns title to the land, 46 acres involved. You previously got 5 acres, at which time you paid 50 percent of the purchase price, fair market value for that, which is the existing law.

In addition to that, the GSA has not declared it to be surplus property, and there must be such a finding before it can dispose of it. Then if it disposes of it to a public body for recreation park services, I am further advised that they must do so at a least 50 percent of the fair market value. So we have got these problems confronting us on this.

Do you want to comment on that any further?

Mr. DULSKI. It is my understanding that these lands were transferred from the States, from New York State, to the Corps of Engineers, that there was no cost involved, as I understand it.

Mr. HARSHA. I think you are right that originally it went from the State to the Corps of Engineers; but in order to transfer U.S.-owned lands to a public body, they have to comply with the existing law, and the General Services Administration must first declare it to be surplus property.

Mr. DULSKI. We will follow the proper procedure. I understand GSA will have it. If it is declared surplus, it is turned over to the city.

Mr. HARSHA. I have a statement here from the Administrator of GSA, and he says it was not declared surplus property.

Mr. DULSKI. We are not aware of any statement from the GSA, Mr. Harsha.

Mr. HARSHA. I am reading from a letter dated April 18, 1968, to the chairman of the committee, where it points out that originally 5 acres were sold to you at 50 percent of the fair market value for recreation purposes.

Mr. DULSKI. I am advised by Mr. Baker that we did pay.

Mr. BAKER. Yes.

Mr. HARSHA. Also any further disposal of it would have to comply with the existing law unless we pick some special—

Mr. DULSKI. Right at the present time, Mr. Harsha, we did not know about this letter. The city of Buffalo is not aware. That is why they passed the resolution.

Mr. HARSHA. When your bill was introduced, it was referred to the various agencies involved with your comments, and I think that is how the committee happen to get their comment on it.

Mr. DULSKI. I appreciate the information.

Mr. HARSHA. They further suggest under existing law, if it were to be declared surplus, then the local government could purchase it, but it would have to make a payment of 50 percent of the fair market value.

Then I understand the Department of Army still has some interest in it from the standpoint of pollution control in Lake Erie that may be used for—

Mr. DULSKI. For sludge, that is right. I have that in the statement.

Mr. HARSHA. I just wanted to know if you were aware of those problems.

Mr. DULSKI. Maybe Mr. McCarthy has some comments to make.

Mr. HARSHA. I am sure he will have some in executive session.

Mr. DORN. Mr. McCarthy, we already have permission for you to extend your remarks; but we would be pleased to have any comments that you might make.

STATEMENT OF HON. RICHARD D. MCCARTHY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MCCARTHY. Thank you, Mr. Chairman. You have the documents that I have relating to this, mainly from the Corps of Engineers that has posed no objections to this. This land, as you note from those documents, was assumed for many years that it belonged to the State of New York. And it was only discovered recently that the title still is vested with the U.S. Government. This is a very needed project in our distinguished colleague, Congressman Dulski's district, and the recreational facilities in the city of Buffalo are lacking.

Here we have this beautiful lake right at our doorstep, but there are no bathing facilities in the lake within the city limits. Now with the pollution effort that is now underway with a target date of 1972, we are looking forward to the day in about 5 years when swimming again will be permitted for the first time in my—when I was a little boy you could swim down here in this beach, and I swam there, and that was about 30 years, and there has not been swimming since then.

Now we are looking forward to the day when there will be swimming in about 5 years.

Now with the city, with Congressman Dulski's assistance and Mr. Baker's, have moved ahead on this much-needed project for the central core area of our city. And this to me is short of a case of—I do not see why they would have to pay half the fair market value; they did not even know they owned it until recently. It is something in the national interest. It is certainly something that is needed. The city did pay half of the value of one parcel of this land, in view of the corps' acceptance of it, with this one reservation, that they would hold in abeyance the possibility that they might have to use this as a dike disposal area. They might not.

And I understand the Interior Department wants to put a time limit on that, because we are working toward a target date of 1972 when all pollution should presumably have been halted, so that anything dredged from the Buffalo River would not be contaminated, so they could put it any place. They could put it out in the lake again as they used to.

I will of course address myself to it in executive session, but I wanted to take this chance to come down here and testify on behalf of this project in our distinguished colleague's district. It has been hanging fire for years, and this committee has within its power to give the green light to something that is desperately needed in the city of Buffalo.

Mr. HARSHA. May I ask you this question. I understand the corps has suggested an amendment to the legislation to provide that the United States reserve, convey the property to you people or to the city of Buffalo, subject to a reservation that the United States has a right to use the lands as long as they may be required for a spoil disposal area.

Mr. BAKER. That is agreed to in your office.

Mr. DULSKI. I think 1971.

Mr. HARSHA. You have no objection to that?

Mr. BAKER. None at all.

Mr. HARSHA. I am further advised that the Department of Interior has no objection to a transfer of the land to the Buffalo outer harbor project, for that project. What do you propose to do there? Did you put that in your statement?

Mr. BAKER. Yes, that is in the statement. We are trying to fill this land; and as Congressman McCarthy said, it was polluted, you could not swim there. I was instructed to stop filling it. The Corps of Engineers came into the picture. If they fill it, and we get the lands and develop the park, everybody will be happy. I hope you see eye to eye with it.

Mr. DULSKI. The one important thing that my good friend, my colleague from New York made, Mr. McCarthy, is that the Government did not know; and as an attorney, 1906 is a long time, of course it is past my time, they did not even know they had the land. Here is the city of Buffalo willing to spend millions almost of dollars for recreation purposes, and this is a good area. It could not be used for anything else unless we recovered it.

Mr. HARSHA. Off the record.

(Discussion off the record.)