

Senator SYMINGTON. It would appear we get more benefit from water development than from some other aspects of the Federal budget. Correct me if I am wrong.

For example, in my State we had a close question on a certain project when it came to cost-benefit ratio. As a result, we finally built a dam; and whereas nearly every rural county in Missouri has lost population and lost income, this particular group of counties, as a result of this dam, has had a tremendously increased economic gain, to the point where bank deposits are now over 300 percent more than they were a few years ago.

This, of course, creates a much-needed additional tax base, not only for the State but for the Federal Government.

It is my experience that when you develop water on a proper economic basis it is a big help to any economy; which I would not think true of some other investments made on other Federal programs.

Chairman PROXMIRE. If the Senator would yield on that point—

Senator SYMINGTON. Perhaps I misunderstood.

Chairman PROXMIRE. No; I think it is a very excellent point. It comes right to the crux of the problem.

I think the difficulties, however, are that the benefits may very well have been underestimated for water projects, in which case I think we should do a better job of estimating the indirect as well as the direct benefits. Then you are in a position to make your evaluation.

The Senator from Missouri has far greater experience in private enterprise than virtually any other Member of the Senate. I think you would agree that any businessman, in making an investment, would want to know his rate of return, and would want to have it standardized so that regardless of whether he was investing in something that was close to his heart or somebody else's heart, he would have the facts, the figures, uniformly applied, and then he makes his decision.

Senator SYMINGTON. Well, I say to my chairman that the penalty for being late is probably expressed by my observations.

Chairman PROXMIRE. No, they are very good.

Senator SYMINGTON. I am sorry I could not have been here all the time.

Mr. STAATS. If I might comment on what you and Senator Symington have been saying here, I think we would all agree that an effort to relate benefits and costs on any investment-type program is a desirable thing. This is like being for home and motherhood. I think this is an invaluable kind of technique.

The real problem is in terms of how good are our estimates of what the benefits and costs are going to be for the future, and we are projecting ahead a good many years. In water resource projects, for example, we have had the reclamation law on the statute books since 1902, and we had Corps of Engineers programs long, long before that.

I think the Congress and the Executive would both be in difficulty if we do not have some kind of a cost-and-benefit analysis in connection with these water projects, because it not only affects the decision of whether you are going to build at all or not, but in terms of what combination of benefits. Are you going to put recreation in? Are you going to put power in? Or are you just going to have flood control? Are you going to have reclamation as well?