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| The presently estimated salary cost annually of 42 positions, including foreseeable salary increases                                                                                                                                                                                                                                                                                                                                    | \$741, 652  |
| Other estimated costs are:                                                                                                                                                                                                                                                                                                                                                                                                              |             |
| Consultants (including fees for members of advisory bodies) and temporary personnel, other than for national assessment                                                                                                                                                                                                                                                                                                                 | 25, 000     |
| Office operating costs                                                                                                                                                                                                                                                                                                                                                                                                                  | 258, 348    |
| National assessment (authorization for extra costs in year of preparation for temporary employees, reimbursable services of agencies, computer time, and printing)                                                                                                                                                                                                                                                                      | 200, 000    |
| Economic projections (for transfer to Commerce's Office of Business Economics and Agriculture's Economic Research Service. At present \$600,000 annually is being transferred for this purpose from several Federal departments and agencies. If appropriations were made to Council, such several transfers would no longer be necessary. It is now believed that future marginal costs for this work should be less than in the past) | 250, 000    |
| Overhead costs in relation to Federal-State training                                                                                                                                                                                                                                                                                                                                                                                    | 25, 000     |
| Total                                                                                                                                                                                                                                                                                                                                                                                                                                   | 1, 500, 000 |

It is now anticipated that the additional staff work of the Water Resources Council, occasioned by establishment of the National Water Commission, would be able to be absorbed within the above authorization ceiling.

Senator MOSS. I would like to ask one more question of Secretary Holum.

Reading Secretary Udall's testimony, you indicated that the Council is now reconsidering the formula for the cost of money for water projects. I would like to know if you can give us any interim report on that. This concerns me. I thought that legislatively we would finally come to the place where that formula was settled and I am a little surprised to find it is now under review to be changed and, as you quoted the President's message, the rate will be higher for the cost of money hereafter.

Mr. HOLUM. Senator Moss, the President, in his budget message to the Congress, did call for a reconsideration of the discount rate used in evaluating projects and the Council is in the process and I would like to underscore that what the President referred to is the discount rate used in evaluation of projects.

The Council has that responsibility under the Water Resources Planning Act and by direction of the President. They have that under consideration. They have only had, up to this time, preliminary discussions, but as Secretary Udall's statement noted, the act requires that arrangements be made for an appropriate consultation with all interested agencies before any final decision is reached by the Council or the President, and Secretary Udall's statement says that one of the methods that will be used, at least, is publication in the Federal Register prior to the time of decision.

Senator MOSS. If there is a proposal to change the formula, will this apply all across the board on all water projects whether they be flood control or reclamation or water supply, no matter what?

Mr. HOLUM. Yes; Senator Moss, as it relates to project planning or project evaluation.

Senator ANDERSON. You must all remember that some years ago we learned that the Hoover Dam could not even have been built with the interest rate then proposed. Better be careful, I think.

Mr. HOLUM. We are well aware of the fact, Council members are, that this is a matter of critical importance.