The Senate Committee on Interior and Insular Affairs has expressed similar views in its Report No. 1234 on S. 3058, a bill to amend the Water Resources Planning Act to increase the authorization of appropriations to the Water Resources Council to administer the act.

Of particular concern—

The committee states—

is the impact of water resource development upon other economic and social objectives of the Nation. The committee feels that the present interpretation of Senate Document 97 results in benefit analyses which place little or no emphasis upon the indirect and secondary effects of projects. As a result, projects are being formulated and proposed which optimize the value to the direct beneficiaries and neglect the impact, both beneficial and detrimental, upon other sectors of the economy and society. To facilitate more valid consideration of investments in water resource development in relation to other Federal programs, the economic analyses of projects should reflect the broadest scope of potential benefits and costs which will result from the implementation of proposals. The committee believes that the promulgation of a new discount formula should appropriately be made a part of a reconsideration and restatement of principles, standards, and procedures for economic analyses of Federal water and related land resource projects.

The Senate Public Works Committee, in its Report No. 1342 on S. 3710, the 1968 authorizations for rivers and harbors flood control and multiple-purpose projects, has also expressed concern over benefit estimation. The committee states that project evaluations "should accurately reflect all primary direct and indirect benefits as well as the secondary benefits as provided in Senate Document 97." It goes on to say:

The committee is greatly concerned with this matter and feels that any increase in the discount interest rate should appropriately give attention to reconsideration and restatement of principles, standards, and procedures for economic analyses of Federal water and related land resource projects.

The Public Works and Appropriations Committees of the House of Representatives state the same case in House Report No. 1549 and House Report No. 1709, respectively.

These comments and apprehensions suggest that special care should be taken in the adoption of any new formula for the setting of interest rates. The action of the Water Resources Council last Friday in publishing a proposed new formula is to invite comments from all concerned: from the Congress, from the States and local governments, from industry, conservation groups, the general public as well as from academic economists and other scholars.

There is little or no substitution for water and its associated resources. Projects and programs in this field provide for national and regional growth, for employment and for family and social stability, for us the living as well as those who will come long after we are gone. Our goal should be to accomplish both full production and the full life * * * a continuing national prosperity that will include prosperity of the human spirit. The material forces and shortrun economic considerations—that have tried to cast doubt upon the wisdom of dams such as Grand Coulee and Hoover with their very long-term benefits, that have permitted the deterioration of the natural environments, and that have ignored ecological change and the strong desires of numerous people for the graces and beauties of the out of doors—should not be the final determinants of a program's worth.