

Colonel LEE. Yes. Also, sir, the document that President Kennedy approved back in 1962 which was printed in Senate Document No. 97 also calls for broader resource reporting on regional and local economic effects. We have not done that since 1962 because there are very difficult problems of economic measure, these computations you asked about.

The major part of our pending Appalachia report will be devoted to a discussion of the appropriate economic theories to take account of the national interest in regional development and growth, particularly in distressed regions.

We made these calculations ourselves, sir, in the Office of Appalachian Studies in Cincinnati.

Mr. JONES. The gentleman from California, Mr. Clausen.

Mr. CLAUSEN. Colonel Lee, let me say something about some of the comments you made which are very interesting and for the benefit of the people from the Kentucky area. We just recently completed the highway authorization and during that particular hearing session I, having come from so-called rural sections of America, I made some rather strong pronouncements of philosophy about this and setting up the kind of priorities for this country, hopefully, to reverse the population trends in the urban areas to where we go back out into the rural areas; so this is a project, a reclamation that is taking on more and more interest as far as I am concerned.

The fact that this particular project as the chairman has pointed out, the fact that it places a major burden of responsibility on you who are coordinating these activities to do it right, and so with that in mind I know that there are no comments from the Bureau of the Budget and am I correct as to, either one of you, either you or Colonel Anderson, but it has been brought to my attention that the Bureau of the Budget did have some questions about the recommendation and I am wondering if you happen to know what those questions are.

Are you familiar with the Bureau's comments, Colonel Anderson or Colonel Lee, or General Noble?

General NOBLE. We have nothing formal on this, sir, so I can only discuss what has been rubbing off on me in an informal way.

The Bureau staff seems somewhat concerned over the effect that the evaluation philosophy of Appalachian studies might have on the water resources program. This is something new in the area of evaluation and I think the Bureau of the Budget would be happier if projects under the Appalachian program qualified for accomplishment under long established benefit-cost analysis procedures at least until more precise knowledge is gained on the flow of these benefits into national and regional accounts. Where they are going to come down on this officially, I do not know, sir. This is all the information I have indirectly from the staff level in the Bureau. I do not know what the official opinion of the Bureau is going to be.

Mr. CLAUSEN. I see. Well, this does not necessarily mean I am going to agree with the Bureau of the Budget because again it is not a question of priorities.

I am saying that if there are significant questions that are going to give us some problems then we, as a committee, want to ferret them out and make certain whatever we do in this instance is going to be the proper recommendation because the chairman has pointed out