

SEPARATE VIEWS OF SENATOR SPARKMAN

Unquestionably, the many demands of the people upon their Government for facilities and services make it necessary that Government establish priorities for the investment of public funds. It is equally true, however, that a system of priorities which is appropriate for investment in the private sector may not necessarily be appropriate for the investment of public funds. This is true because private investment seeks only economic efficiency, whereas public investment seeks objectives which are a mix of economic and social goals. It is this fact which prevents my endorsement of the committee report.

The committee report, and the record of the hearings upon which it is based, place far too little emphasis upon the need for a more effective system of measuring the direct and indirect benefits accruing from public investment designed to meet these economic and social goals. This is particularly true in the case of investment in water resource projects, where low rates of economic return prevail in early years, and the mushrooming benefits of area development in later years are whittled away to insignificance by the kind of discount rate and procedure advocated by the committee report.

While there may be a need for a more efficient system of establishing public investment priorities, and while there may be a need for some degree of uniformity in the application of such a system by various public agencies, I am not prepared to advocate specific findings and recommendations in these areas until such time as a more thorough and balanced investigation of the matter has been made.