

SOCIAL AND ECONOMIC VALUES IN WATER MANAGEMENT

by

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to

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Every week a vast volume of information and opinion in the form of newsletters, books, pamphlets, the Congressional Record, and press releases -- all dealing in some form with environmental concerns -- crosses my desk. Sometimes I try to imagine how I would react to what I read if I were less closely involved with this subject and had to learn and form opinions solely as an interested layman. In the past few years I have grown increasingly aware of the accelerating debate about whether Americans can afford to clean up the nation's waters and maintain a sound economy. In fact I have come to think that this is the crucial decision of this decade.

Two recent and conflicting opinions spell out the growing struggle and I would like to quote from each one to illustrate the difficulty faced by citizens in this dialogue. The December 29 issue of the Newsletter of the California Water Resources Association leads off with an editorial which asks, "Are we headed toward an environmental depression?" The article goes on to ask,

"Are environmental lawsuits which have halted needed water works, power plants, freeways, and private works contributing substantially to unemployment and to a national economic slowdown? The record indicates that the obstructionist programs of well-financed environmental groups are playing havoc with the economy at a time when the Administration is trying to get it back on the track. The militant environmentalist -- as differentiated from the informed conservationist with a balanced viewpoint -- doesn't seem to realize that America cannot sacrifice its economy on the altar of environmental goals. Without a sound economy such goals -- along with major social objectives -- must fail. Unreasonable environmental intemperance must not be permitted to drive this nation into a major depression with a reduction of living standards for all."

On the other hand the January 1 issue of the Conservation News of the National Wildlife Federation in a lead editorial asks, "Where do natural resources stand in public priorities?" The first paragraph of this article states,

"Testimony presented by three important members of the Administration has aroused fears among conservationists and environmentalists that the new national budget for fiscal 1973, to be unveiled early this year, will continue to give pollution control and management of natural resources a low rating among the priorities."

This editorial concludes,

"Of course, environmental clean-up costs important amounts of money. At least part of these outlays would be necessary because we have deferred attention to these problems -- passing costs along to the succeeding generations. However, despite what economists and other planners may think, the question is not one of whether or not we can afford environmental clean-up. The most basic conclusion must be that we cannot afford not to."

Admittedly, the League of Women Voters finds itself closer in philosophy to the second editorial than the first. Nevertheless the problem still remains, and so does the difficulty for the average citizen, of knowing whether environmental protection is consistent with economic growth. As I began to think about what I would say today in behalf of the League of Women Voters, I went back to look at statements we have made about costs, social values, benefits, water resources planning and management over the last several years. From this review plus some research into current thinking of our membership on this conflict, a few guidelines emerge which I would like to share with you today.

In the first place, I am bold enough to say that within the League of Women Voters of the United States and its national program exists a microcosm of the same conflicts and changing priorities which exist on the federal level of government. We are not a conservation organization, per se, in spite of the fact that we have been in the field of water resources for 16 years. Our members have also chosen to work on many other issues including international trade and aid and equal opportunity in housing, education, and employment. Thus each

subject has its own constituency and presents a potential conflict for national attention and funds. At the national level, the Board of Directors of the League attempts to establish a system of priorities for attention and action in a Congressional session. Currently our first priority is being given to accomplishing good welfare reform legislation, with the second priority being shared jointly by the environmentalists and the internationalists. Thus we are more aware, perhaps, than organizations primarily devoted to the environment that the competition between these priorities in the public and governmental eye is keen and sometimes one must bow to the other.

For example, when the League is pressing for funding for water needs, and the inevitable question is asked of our spokesman, "Where do you want the additional funds to come from?", we must be aware that we represent a constituency which places a high value on other domestic needs also. We care about the environment, but we also care about the plight of the cities, and about adequate housing and equal opportunity for education and employment, and a liberal trade policy, and continuing economic and technical assistance abroad. So the first guideline I am suggesting for citizens caught in the social/economic values debate is to look at the total picture, to see domestic problems as a whole, and to design their own priority system.

We have recently received another clue to our members thinking about economic factors and environmental benefits. This is the time of year when Leagues tell us what they would like to have on the national program for the next biennium and suggest changes in Principles or Bylaws. One of our present Principles says,

"The League of Women Voters believes that responsible government should promote the conservation and development of natural resources in the public interest ...[and] promote a stable and expanding economy."

This year for the first time we are getting proposals from Leagues to drop the word "development" from the natural resources Principle, and to delete the phrase

"and expanding" from the economic Principle.

I have no idea whether the delegates to the League of Women Voters' National Convention in May will decide to do this, but I do know that our membership is signalling a change in emphasis from development to conservation, and is indicating that an ever expanding economy may not be in the best interests of the nation. From this illustration and other information I should like to suggest that more citizens every year are asking themselves if the best management of water resources must always include development, and if growth should necessarily be the over-riding national economic goal.

This frame of reference brings us right up against one of the most difficult questions in water resource management -- that of how to evaluate water resource projects. Two major federal groups and a number of the nation's leading social scientists and economists have been spending a great deal of time on this question recently. It was the strong desire of League members to have intangible values as a part of the consideration and an equally strong wish to see the public presented with alternative plans which involved us in this discussion early. Back in 1969 in testimony to the National Water Commission we said,

"We understand the historical reasons for use of the cost/benefit ratio and the desirability of some system to turn aside proposals of little worth but championed by local enthusiasts. However, we think the time is ripe for devising new ways to evaluate water resource projects. Economic efficiency is no longer acceptable as the sole measure. The cost/benefit ratio should be only one tool and not the immutable basis on which go-no-go decisions are made. If the cost/benefit system is retained, more value in the cost side should be assigned for benefits foregone and aesthetic values lost when projects are constructed. Assigning monetary values to recreation has worked out badly in some places where the system makes it possible to achieve a favorable cost/benefit ratio on the basis of recreation use and justify a construction project on the basis of that use when project construction permanently destroys another type of recreation use. Enhancing the nation's material wealth may be of lesser importance than fulfilling the desires of the people of the region; enriching entrepreneurs may be of less importance than preserving irreplaceable aesthetic and recreational values for the public enjoyment. Such value judgments, the League of

Now the Water Resources Council has completed its Special Task Force Report and is proposing new principles and standards for the preparation of river basin plans and for the formulation and evaluation of federal water and related land resources projects. These have already been published in the Federal Register and are open to comment, oral or written, until March 31. Thus we have an unique opportunity to join with government in shaping new rules for water resources development. The subject is complex, and the language is specialized. Hard study and thought is necessary to evaluate the impact of these proposals; but if those of us in the public sector who have been critical in the past do not grasp this chance, we -- and the nation -- will be the losers.

The League of Women Voters has made an attempt to review the proposals and I would like to quote briefly from our statement:

"We are glad to see inherent in the Proposed Principles and Standards for water and land resources planning a more tangible and effective route for governmental consideration of benefits other than economic efficiency and cost. Perhaps the greatest step forward in the judgmental process necessary is that of a change in the discount rate to reflect values society places on benefits and costs occurring in the future as compared with the present. We are greatly encouraged by the emphasis on broader basis and more public participation."

It seems to me that the various accounts proposed by the Water Resources Council provide a methodology for consideration of social and economic values in water resources management and that this kind of built-in examination of alternative values and costs is more meaningful than an eye-ball to eye-ball confrontation between business and the environmental interests.

The two questions promulgated most often by those who seem to believe that the United States must moderate its environmental needs in the interests of a strong economy are 1) Are profits and pollution control compatible? and 2) Will the

1) Are profits and pollution control compatible? and

2) Will the public support part of the cost in taxes or increased prices?

Both questions require a kind of cross between projection and crystal-ball-gazing and there is no lack of evidence which seems to support each view.

Unfortunately more prominence seems to have been given to the negative than the affirmative in this debate. I am neither a seer nor an economist, but I would like to submit two pieces of evidence for your consideration.

One of the standard beliefs of businessmen seems to be that cutting down on pollution means cutting down on profits and considerable amounts of testimony to this effect have come forth during the first session of the Congress. This theory has never been challenged really. However, a study published by the Council on Economic Priorities resulted in a different conclusion using research on the paper industry as its base. The study was made on this industry because it has one of the worst air and water pollution problems. Surprisingly, the figures proved that cleanliness pays. Of the top money-makers, 14 had above average ratings in pollution control, and the one with the best environmental rating was also best in earnings. The least profitable of 17 companies studied was the worst on pollution. The account of this study concludes with this statement: "What matters is the evidence is mounting to explode a noxious myth -- that the country must choose between good business and good air and water."

The second piece of evidence is a result of a poll taken by 22 members of the House of Representatives in their districts in 1971 on this question, "Should the federal government expand efforts to control air and water pollution, even if this costs you more in taxes and prices?" Collectively the sampling represents the views of more than 300,000 Americans in every type of congressional district

and in all regions of the country. In all but three districts the resounding answer was "yes" and in nearly all cases by a substantial margin. The results of this congressional questionnaire coincide with a nationwide Harris poll of last summer. Asked if they would pay \$15 a year in added taxes to fight pollution, 59% of Americans polled replied "yes".

What I have been trying to say to you today is that citizens find it very difficult to weigh social and economic factors in water resources management. We are most of us somewhere in the middle in this growing controversy, but at least for the members of my organization I can say some things about how we regard it. We want a balanced approach which takes into consideration all of the nation's needs. We don't want expediency in the present to foreclose our future options. We don't think this is an either-or dilemma, and we don't want to be forced into choosing between a health economy and an improving environment -- nor do we think it is necessary to choose.

There are some encouraging signs for the general public which are too often over-looked. Specifically I refer to the Second Annual Report of the Council on Environmental Quality which puts much emphasis on the costs of pollution abatement and tends to support the belief that costs will not be as high, in relation to our ability to pay, as we have been led to believe. I am encouraged by the new look which the Water Resources Council has taken at ways to give added value to non-economic factors in project evaluation. The public attitude toward willingness to absorb costs of abatement is encouraging, and the efforts of some businesses and industries to meet their deadlines is encouraging.

Essentially the view with which we find ourselves most closely in agreement was expressed recently by Senator Jacob Javits of New York. He said:

"There is a question in the minds of many people whether environmental protection is consistent with the type of economic growth which this country needs and wants. I believe the two are consistent, but that certain adjustments in the economy will be needed if a higher quality environment is truly to be achieved. Though at this time the country is in the throes of major economic shifts, it would be unfortunate if we panicked over economic conditions to such an extent that we diminished our activities in the environmental protection field. I believe that it is up to all of us -- business, labor, consumers and government -- to find ways to achieve economic growth and also maximum protection of the environment; the two are fully compatible."

Let us, rural and urban, conservationist and businessman, developer and protector, together seek these ways.