

Mr. MADDEN. I think that, with all due respect to the analysis Professor Leontief presents, it is a fairly static kind of analysis, and it is rather difficult for me to choose either one of the alternatives without a more detailed knowledge of the benefits and costs of the various programs that he suggests.

For example, a letter to the editor of the Washington Post this morning by Prof. George Hilton of the University of California advocates Postmaster General Lawrence O'Brien's solution to the postal problem, by proposing that we could get more efficiency from the Post Office if we first provided a nonprofit corporation instead of the present arrangement, and, secondly, if we provided for private competition.

Well, here is an example where, as you know, by semantic designation the second alternative looks very fine. You spend money on education and that sounds wonderful. But if the spending of the money on education is no more efficient than some of the programs that we have, such as the Job Corps, which spends \$8,000 or \$9,000 per man per year, why then, I think we—

Chairman PROXMIRE. I think that is a very well spent \$8,000 or \$9,000.

Mr. MADDEN. Yes; then I think we should get below the easy semantics of spending more on education, and see what benefits-to-cost ratio is. So I couldn't very well answer the question as to the choice between alternatives in such a general way.

I do think that my general preferences and the preferences of the chamber of commerce are in the direction of strengthening the private sector, after 50 years of Government growth, as against strengthening the Government sector, which now takes 27 percent of the national income in taxes.

Chairman PROXMIRE. You see, the other part which you said we have this revolution throughout the world, especially in the underdeveloped countries, a massive job to do. Now, if you proposed a substantial, and a very substantial, increase in foreign aid of one kind or another, that would be, I think, consistent. But if we don't do that, and I am not saying that we should or should not on a very massive basis, it seems to me that this does not mean we are going to have any stimulation in demand, just because there is that discontent and because they need capital.

Mr. MADDEN. I think you get, again, into the semantic trap, because when the Government spends money abroad, you see it as foreign aid. When private business spends money abroad, you don't consider it foreign aid.

Chairman PROXMIRE. I think I would agree that if private business can do the job, they certainly out to do it, but I think you would agree with us that as far as the underdeveloped countries are concerned that private business is unlikely to do a great deal for some time, for many, many reasons.

Now, there are some things they can do and do very well. The Rockefeller people have done a lot in South America, and others. But the limitations on the private business in the underdeveloped countries will be severe for some years.