In 1962 the Subcommittee on Economic Statistics, under the chairmanship of Senator William Proxmire, began a detailed study of "The Federal Budget as an Economic Document," which was followed in the succeeding year by hearings and the subcommittee's report. Among other topics, the subcommittee's deliberations focused on the need for developing a program budget, and this constituted a major recommendation in the subcommittee's report. The present study carries forward the committee's longstanding concern in this area.

Some of the techniques of analysis contemplated in current discussions of PPBS have been employed in the past. In the 1930's the Department of Agriculture and the Tennessee Valley Authority used program budgeting. The Hoover Commission recommended in 1949 that performance budgets be adopted throughout the executive, but this advice was never fully implemented. During the 1950's, a few sporadic projects, such as the Interior Department's National Park Service "Mission 66" program, were successful. In 1961, the Budget Bureau outlined a 10-year projection of all Federal expenditures, and the Federal Aviation Agency adopted a 5-year-planning sequence. Comprehensive PPBS concepts were introduced in the Defense Department in 1961 and, by 1963, the Budget Bureau was encouraging all agencies to begin looking into further application of PPBS techniques.

On August 25, 1965, President Johnson issued a directive ordering all Federal agencies to apply PPBS techniques. The following potential achievements of PPBS were listed in his directive:

(1) identify our national goals with precision and on a continuing basis;

(2) choose among those goals the ones that are most urgent;

(3) search for alternative means of reaching those goals most effectively at the least cost;

(4) inform ourselves not merely on next year's costs, but on the second, and third, and subsequent years' costs of our programs;

(5) measure the performance of our programs to insure a dollar's worth of service for each dollar spent.

In its report on the January 1967 Economic Report of the President, the Joint Economic Committee cited the development in recent years of a planning-programing-budgeting system for the Federal Government which the committee had recommended previously. The committee commended the President and the Budget Bureau for extending these techniques and looked forward to reflection of improvements throughout the Federal budget, including the document itself.

In spite of its obvious purpose of improving management and decisionmaking, PPBS has not been without its critics either in Congress or elsewhere. Skeptics fear that PPBS analysts and directors will become a new breed of technocrat who think that the computer can take both policy and politics out of decisionmaking. Among other things, critics fear that PPBS might be used to weaken congressional control of the budget through making appropriations subject to complex mathematical computation by experts in the executive branch. While the committee does not share these fears, we recognize that there are many problems and concerns to be faced in developing the new system.

Because of its recent adoption, it would not be appropriate or feasible to attempt a definitive assessment of PPBS in improving the effectiveness of public programs. At the same time, the subcommittee