

This subcommittee is firmly of the opinion that the Congress should make use of these new techniques for better evaluation of government programs in terms of costs and benefits, as well as a more comprehensive view of the priorities in program commitment. The subcommittee recommends the development of a congressional staff capability in PPBS techniques of analysis in addition to utilization of GAO staff.

GENERAL PERSPECTIVE

PPBS is one of the more recent attempts to achieve a more systematic and rational approach to decisionmaking in respect to Government programs. It undertakes to assess costs of achieving objectives against the benefits to be expected therefrom, and in this way makes possible a more intelligent use of resources by the public sector.

The effort is by no means free of handicap. Unquestionably, it is easier to measure costs and benefits that are amenable to marketplace assessment than it is to measure the true costs or true value of those more intangible effects of Government activity that are not solely subject to market determination. In assessing the cost-benefit relationship of a proposed dam, for example, it is far easier to measure benefits in terms of water supply, power supply, and navigation than it is to measure the many other incidental effects, such as redistribution of income, esthetic improvement, effects on long-term population movements, and the like.

There is a tendency to exaggerate both the potential and the progress of PPBS. Judging from the brief hearings held, it is the subcommittee's conclusion that some progress has been made in bringing a more rational means of decisionmaking into the public sector, but that this is only a beginning. The Government has a long way to go in applying PPBS or any similar system of program management on any kind of comprehensive basis.

Likewise, there is considerable confusion about the role of PPBS in making basic decisions. Public economic policy questions, by their very nature, often involve decisions which affect people as to burdens and benefits. In other words, a public policy decision may increase the burdens of one group and raise the benefits of another, or effect resource transfers between regions. These decisions are frequently made now, particularly by legislatures, but on a judgmental and necessarily subjective basis. PPBS can help to provide a more rational and coherent basis for judgment. But many decisions will remain beyond the reach of quantitative analysis.

In addition, PPBS does not help us much in deciding on ultimate goals for public policy or in deciding between alternative goals. Our knowledge is not sufficiently advanced to answer definitively such questions as whether we ought to put more money into housing or welfare, whether to emphasize decentralization of our cities or not. Such basic choices are far beyond the reach of quantitative measure. Given determined objectives, cost-benefit analysis or any other systems approach can help us in deciding which alternative would provide the most effective means of achieving an objective. But we should not expect it to go beyond this. The choice of goals is a basic political decision, arrived at democratically; we should not rely on budgetary techniques to eliminate the hard problem of choice that now confronts both the Congress and the executive branch.