is a useful step forward, and the fact that the Congress more and more has been asking for these kinds of justification when agencies present their authorization requests and their budget requests is also a hopeful sign. In general terms, I think there has been progress but we have a long way to go.

Senator JORDAN. Thank you. My time is up.

Chairman PROXMIRE. I notice on page 10 of your report you have a list of the agencies with which you made your inquiries, and we find here that, as I said before, in a number of them, they did not use any discounting technique in 1969, and five indicate they have no plans to use discounting techniques in the future, to wit, the Interstate Commerce Commission, the Export-Import Bank, the Veterans' Administration, the Department of the Treasury, the Department of Commerce.

Now, especially when you come to the latter three, Veterans' Administration, Department of the Treasury, and Department of Commerce, they all have substantial investments. How can they justify the assertion that they have no intention of using discounting techniques. Certainly the Treasury, where they originated the formulas that we have used, certainly ought to have an acute notion of the future compared with the present value of the dollar. The Treasury should recognize the importance of discounting. What kind of responses did these agencies give to you when you asked them?

Mr. STAATS. Of course, the table on page 10 does not fully state the views of the agencies. There is a more detailed statement in appendix I but let me, if I may, Mr. Chairman, read a more recent letter that came from the Department of Commerce, which states in part:

> While we do not now use discount techniques in our programs universally and do not have definite plans for the use of these techniques in the future, we are considering the use of discount analysis for the evaluation of some programs, such as capital outlays. We agree, therefore, that a standardized concept should be adopted for Government-wide use. While we have not reviewed the matter in depth we believe that the second alternative appears to be more practical; namely, that of recognizing that the cost of Treasury borrowing as a cost of investment in the public sector.

They do not make an unqualified statement that they would not do it. They are first seeking central guidance and second they are——

Chairman PROXMIRE. If the Department of Commerce recognizes the cost of Treasury borrowing as the, what do they say, opportunity costs?

Mr. STAATS. No; Treasury borrowing.

Chairman PROXMIRE. The cost of Treasury borrowing on this realistic basis of foregone taxes and makes it 7½ and 8 percent, what does it really mean unless they say they have a way of calculating what their benefits are and then what their costs are and use the discount system to come up with a basis for a decision? Simply the awareness that the costs foregone are 7½ or 8 percent, it seems to me, isn't a very good guide unless they tell us what they do with this.

Mr. STAATS. That is, of course, true for most of these agencies that were referred to, which have a sizable capital outlay.

Chairman PROXMIRE. The Veterans' Administration and Department of Commerce especially, but, of course, the Post Office Department does, too. They indicate that they plan to use it sometime in the future. How about these other agencies that did not use it in 1969 but