

plan in the future to use it, when—I don't mean to ask you in detail on each one, but what was the general feeling? That they would be able to move in 1970, 1971, 1972, or soon?

Mr. RATHBUN. First, let me refer back to the Department of Commerce and the Veterans' Administration, the two agencies that stated they did not use discount rates. It should be recognized that in the case of the Veterans' Administration they do evaluate programs in terms of cost and benefits over a 5-year period.

Chairman PROXMIRE. Yes; you gave an example of that.

Mr. RATHBUN. So they are using a high implicit rate.

Furthermore, there are elements within the Department of Commerce that do essentially the same thing. In one case they have used what happens over the first 7 years for programs having an estimated life of 11 years.

Chairman PROXMIRE. So this statement on page 10 is not—I don't mean it is misleading, but unless you read it in connection with what Mr. Rathbun just told us, you get a misconception. It says discounting techniques not used and no intention of using it. This isn't true. They use it but they use it in a way which is not standardized and not related to what other departments are doing and it goes right back to your initial skepticism, Mr. Rathbun, this inconsistency is almost worse than not having a system at all.

Mr. RATHBUN. It may very well be.

Chairman PROXMIRE. It may well be in some cases.

Mr. RATHBUN. Now, with respect to your question about when these agencies will get underway, I can't recall a single case in which some time was specified. In talking to the people some of them seem to feel they are going to be in a position to do this right away, in the next year or so. Others are somewhat more undecided, and I suspect it will be 2 or 3 years.

Chairman PROXMIRE. Well now, that brings me to what I think is the most encouraging statement we have heard this morning and that was your statement that you think we may be on the verge of a breakthrough, you said something like that, you said we may be on the verge of making this much more universally applicable and much more effective. What can we do as Members of the Congress? Do you recommend any legislation that we can adopt, Mr. Staats or Mr. Rathbun, that would be helpful here or is this something where our inquiry and your inquiry and publication of it and the welcome position the President has taken this morning in his budget on the water resources projects indicates this is coming along well and indicates we have to pursue our inquiry and let other Members of Congress know, but it doesn't need legislation?

Mr. STAATS. I haven't pursued the matter to the point of coming to a conclusion—

Chairman PROXMIRE. We would like to hurry it up.

Mr. STAATS. Whether legislation as such would be necessary, I would say that unless we can show more visible progress than we have had, some further action on the part of the legislative branch would certainly be in order.

It had been our hope that this report, together with the report of the Joint Economic Committee in December might result—

Chairman PROXMIRE. This report ought to shock Congress. I think it indicates, as you say, a terrific disparity; a number of agencies, about