

Now, this same principle carries over into other programs as well. It is just that we have not developed these techniques as far in some of these other programs as we have in the water resource field.

Chairman PROXMIRE. A lot of people feel discounting may apply to water projects and also to Defense Department investment, but it does not apply to human resources. We had very excellent testimony from the Assistant Secretary of HEW, Mr. Gorham, who did a fine job, I thought, of showing where they applied discounting and cost-benefit study to their studies in the National Institutes of Health, and found that they can have an excellent guide to their decision on the basis of carefully figuring the benefits and the costs and finding out that some programs have a far quicker and better payoff in saving lives, and so forth, than others.

So that I think we are underestimating the value of this across the board in a very great number of areas where it is just beginning.

There has been some pioneering in the Defense Department and elsewhere, but this is the kind of technique that can be most helpful to the Congress, it seems to me.

Mr. STAATS. It is, of course, more difficult in these types of programs administered by HEW. We are faced in the General Accounting Office with a very tough problem at the moment growing out of the recently enacted poverty authorization, the authorization for the Office of Economic Opportunity, where we have been given the task of evaluating the effectiveness of our programs administered under that act.

This is extremely difficult in such programs as Head Start, the Neighborhood Youth Corps, and the community action programs.

Chairman PROXMIRE. But the very fact you are forced to think hard about the benefits of the program, you are forced to determine where you can get the most for your dollar, even in an antipoverty program, it seems to me, is a good, wholesome requirement. It means that you are going to invest that money more carefully. It means you are going to find ways of economizing, it means you can close down the less efficient operations that have a lower payoff.

Recently the President announced, I guess just over the weekend, the closing down of some of the Job Corps camps. One of them was in my State, and I regretted it very, very much.

But I must say they applied criteria which had some basis of objectivity, and they had a good method for determining this. I may have disagreed with his decision, but it was done on a basis, as announced, and without political pressure, and this is most helpful in the economy to a truer sense, that is getting more for your dollar.

Mr. STAATS. As the budget becomes tighter and the people become more and more concerned about the growth of Government expenditures, it seems to me it only makes good, commonsense to apply criteria where we are making an effort to relate the payoff to the investment that we are making.

Chairman PROXMIRE. May I ask you and Mr. Rathbun and also Mr. Marvin, if you would like to comment, if you do not feel that this technique has the potentiality and can be applied more widely, much more widely, in the future than in the past, and by doing so will give the Congress and the administration a far better notion of how to invest these tax dollars and spend them more wisely?

Mr. STAATS. I would like to have Mr. Rathbun answer.