return on a safe investment and a slightly higher rate (3 percent and 5 percent) while another uses for some programs the rate representative of average capital returns in the private sector (presumed to be 12 percent) and for some programs permits the analyst to determine the rate on the basis of his judgment as to the nature of the program and the kind of analysis considered most meaningful.

Views are equally disparate in those agencies which report that discounting was not used in their analyses of individual programs for support of their fiscal year 1969 budget decisions. At one extreme is the view that decisions on programs should be made on the basis of first year costs and benefits--a procedure which implies a discount rate of 100 percent, since the future is ignored. At the other extreme is the view that decisions should be based on total undiscounted costs and benefits--a procedure which implies a discount rate of zero, since costs and benefits applicable to, say, the 20th year are treated as being as important as current costs and benefits.