

partment of Agriculture Housing Loans, $4\frac{7}{8}$; Office of Economic Opportunity family planning program, 5 percent; the Atomic Energy Commission for Radiation and Pasteurization, for example, Government costs, 5 percent; industry benefits, 15 percent.

The Department of Defense, on all shipyard projects, 10 percent; on 14 air stations, 10 percent; 18 other stations, 10 percent. I guess the Corps of Engineers is $3\frac{1}{4}$ percent, something of that kind, for the public works program. The Agency for International Development, foreign aid, from 8 to 12 percent; the Department of the Interior has a very interesting variation. They have, as I say, for the water programs, applied $3\frac{1}{8}$ or $3\frac{1}{4}$ percent; for energy and mineral development programs, for which exploitation to a private function is 12 percent; utility programs, low-risk 8, high-risk, 12.

The Department of Health, Education, and Welfare goes up to 8 percent on some, 10 percent on others, and so forth.

At any rate, they are all over the place, no consistency at all. It seems to me both the President and the Congress would be served if there were either consistency or rationalization, explanation of why you have these enormous divergences.

Cannot the Bureau of the Budget, as the agency which has the responsibility to try to bring some order out of chaos, does it not have the responsibility to proceed in this area?

Mr. HOFFMAN. I would certainly agree, Senator, that there is a good deal of room for improvement here. I would argue, however, that we have been working to get that improvement and that the attempt to impose by some kind of Bureau of the Budget fiat a very specific, very restrictive procedure and discount rate, would be self-defeating when there is not yet a common understanding and agreement on all of the factors involved, either throughout government, or in the economics profession.

Chairman PROXMIRE. There certainly is agreement in the economic profession that you ought to be consistent?

Mr. HOFFMAN. Yes, sir.

Chairman PROXMIRE. Here you have a transparent example of a waste of resources by the Government itself.

Mr. HOFFMAN. The problem is in reaching agreement on how to be consistent. I think we would all agree that it would be desirable to increase consistency. We have been moving to eliminate some of the worst examples. Now, how far we go and how fast we can move is a function of the extent to which we are able to get common agreement and acceptance of the principles involved. I would agree that the Bureau has a leading role and a responsibility in this area.

Chairman PROXMIRE. Can you tell us just what the thinking of the Bureau of the Budget is right now, today, in looking forward to trying to bring some kind of rationalization, some order, some consistency here?

Mr. HOFFMAN. Well, sir, I am afraid I can give you my thinking only.

Chairman PROXMIRE. I wish you would.

Mr. HOFFMAN. I believe that we need to clarify the reasons and the methods involved in discounting in the evaluation of public investments. I believe we also need to develop a good deal more in the way of understanding and agreement on a rationale for determination of