

recorded and tabulated and where, on a sample basis, followup is carried on by polling organizations on a scientific sampling basis. The Job Corps can do this because: First, the program itself costs enough so that the additional cost of a good data system seems to justify itself; second, Job Corps is more centrally controlled than most human resource programs, and the data system can be imposed by central direction.

For other good reasons, the trend in human resource programs is toward decentralization and local control. I think we must realize that when we decentralize and control locally, we are sacrificing somewhat on the availability of data or the possibility of our demanding data for these programs.

Given, though, that we can do and have done some conceptualization and that we can do and have done some measurement, what is the implication of these measurements and analyses for our programs as compared to other programs? I think it would be very difficult and wrong to make direct comparisons between our benefit-cost analyses and those for the physical resource programs of the Federal Government.

As suggested in the paper, we have set up some definitions of consumption and investment benefits from the human resource programs. By investment benefits we mean those benefits which bring economic returns in the increased product sense, and this is only one of the objectives of any one of our programs, increasing the contribution to the national economy of our clientele. It is an objective, but it is only one. It is a measurable objective, which is measurable against the other programs.

In addition to these, we have the whole set of other benefits which we call, for convenience, consumption; benefits having to do with the distribution of the resources, goods, and income in our economy and benefits which are not of the type which typically can be analyzed by benefit-cost analysis. I believe these benefits have not really been adequately handled by any form of economic analysis at this stage. For this reason, the whole set of other social goals put into our program and other human resource programs by the political process, which is the proper way to put them into these programs, must be handled analytically, different from the benefits which are the benefits of many of Mr. Mackey's Transportation programs.

All of this leads to several qualifications. I have frequently tried to make qualifications about our use of benefit-cost ratios. The first is that in our kind of program, a benefit-cost ratio less than one, less than unity, does not mean that a program is unsuccessful. There are usually many intangibles which we define into this consumption category which cannot be computed into benefits; whereas the costs are all too tangible.

Further, even though a ratio of less than one might indicate that transfer payments are cheaper than a specific resource program such as the training program or programs which lead to increased earnings on the part of a recipient and contribute to the commonweal, there is a clear social and political preference favoring other programs as compared to transfer payments, and allowances must be made for this.

Let me give you an example of one of our studies discussed in this submission. We did a benefit-cost study of the Job Corps, done by