

than it is to stick your finger in the spigot at the end of the line. The pressure is kind of tough at that point.

Representative BROCK. I agree

Thank you very much.

Senator PROXMIRE (presiding). Mr. Moorhead?

Representative MOORHEAD. Thank you, Mr. Chairman.

Mr. Mayo, I appreciate very much your helpful and candid statements here.

I would like to follow along the line that Mr. Reuss was discussing with you, which was your function in helping the President set priorities among the various demands of the budget.

Mr. MAYO. Yes.

Representative MOORHEAD. In your statement you say "We must examine the costs and the benefits of government programs, for only then will we have the data on which to make wise priority decisions." Is it your belief that you can determine the relative net social benefits which accrue from a dollar spent on education versus a dollar spent on agricultural supports versus a dollar spent on public works?

Mr. MAYO. We are trying to work little by little in this direction. It is obviously still going to be a judgmental appraisal, regardless of how good the data base is, when you get down to the ultimate decision. But we find it helpful, and so does the Congress, to make a relative appraisal among, let us say, reclamation projects, or whatever it may be, one versus another.

Representative MOORHEAD. I can see how the analysis is relevant and meaningful concerning one reclamation project versus another. But what about reclamation projects versus education?

Mr. MAYO. Exactly. The next step is, how about reclamation prices versus agricultural price support? This gets a little tougher. And obviously, it gets even more difficult when you get to the stage of comparing defense and nondefense in the process of trying to decide what is required to make America strong. Well, we have an inadequate data base to make such an appraisal. And we probably always will have, because in the last analysis it will have to be the judgment of the President and the Congress as to what we mean by keeping America strong.

I would also suggest that we have quite a long way to go in getting toward this goal. We will never quite make it. But just as statistics have been helpful over the years in letting us learn an awful lot that we didn't know 30 or 40 years ago, so I think the process of program evaluation can make a real contribution when properly directed.

Representative MOORHEAD. Mr. Mayo, yesterday Dr. McCracken put a very high priority on moving disadvantaged people back into the economic mainstream of America. As you propose revisions to the budget, in what form do you see this priority taking—education, job training, improved health, a better functioning labor market?

Mr. MAYO. I have an open mind on this. I am quite conscious of the problem. I did work in the Chicago financial community within the past 6 or 8 months specifically on trying to get banking resources and talent diverted to helping the entrepreneur in the ghetto. I am also quite conscious of the President's serious concern about the way in which Federal programs are oriented toward our urban problem. How-