

Essential to the new system are: (1) an output oriented program structure which presents data on all of the operations and activities of the agency in categories which reflect the agency's attainment of end purposes or objectives, and (2) analysis of possible alternative objectives of the agency and of alternative programs for meeting these objectives. Such analyses would include comparison of these alternative programs with respect to costs and benefits. As noted in the Budget Bureau Bulletin, the program objectives and planned accomplishments are to be expressed, wherever possible, in quantitative nonfinancial terms. Where relevant, the physical description of the Federal programs is to be related to the entire universe to be served.

In other words, under this new system Federal agencies are required to ascertain the dimensions of the universe in which a particular Federal program operates and to determine the relative proportion accounted for by the Federal aid program. To do so, they will need, in the case of the programs aiding the provision of public facilities, data showing (1) the existing capital plant of the public facility category, for which the aid is provided, (2) the recent trend of capital outlays, and (3) estimated capital requirements for specified levels of performance.

In analyzing alternative programs to meet indicated objectives, the Federal agencies will eventually have to determine (1) whether the program "needs" can be financed by loans or whether they require some form of grant subsidy; (2) the extent to which funds are being, are likely to be, or could be provided from non-Federal sources; (3) the range of capital and operating costs of the public facility; and (4) the extent to which the prospective users can afford to pay these costs.⁸ By and large, such information has not been assembled in any systematic manner heretofore. Yet without these "universe" data and related cost and financing information, the comparative analyses and program memoranda called for by the new system may prove to be difficult to prepare.

(d) *Shelf of Public Facility Needs.* Since the 1930's the view has been expressed by certain analysts⁹ that there is a need for a shelf or reserve of planned public works, the construction of which can be started promptly when economic conditions make such action desirable. They look to the employment and income generative effects of public works construction as one of the means of counteracting recession tendencies within the economy. Before such a shelf of public works can be developed, the respective "public works" needs have to be identified and quantified.

While one may question the economic merits of the public works reserve thesis, given the problems associated with the timing of stepped-up public works expenditures, there is no doubt that "public facility" expenditures (by private as well as public agencies) contribute importantly to a growing economy. In fact, a slowdown or curtailment of such expenditures could help initiate a general economic

⁸ Much of these remarks is based on the writer's conclusions set forth in vol. I of *A Study of Federal Credit Programs* (issued by the Subcommittee on Domestic Finance of the House Committee on Banking and Currency, 88th Cong., Feb. 28, 1964), especially pp. 179-180.

⁹ Cf. National Resources Planning Board, *Economic Effects of Federal Public Works Expenditures, 1933-38* (Washington: Government Printing Office, 1940); Special Assistant to the President for Public Works Planning, *Planning for Public Works* (July 1957); Economic Report of the President (January 1955), p. 57; Robinson Newcomb "Public Works and Economic Stabilization" in *Problems in Anti-Recession Policy* (issued by the Committee for Economic Development, September 1954); and more recently, "America's Need: Social Services and Jobs," *AFL-CIO American Federationist* (August 1963). See also, *Report of the Joint Committee on the Economic Report on the January 1954 Economic Report of the President*. Pp. 13-15.