

the budget totals. They initially represent private credit extension and are properly reflected in neither Federal expenditures nor Federal borrowing. These programs would be shown, however, in terms of total amounts outstanding, along with direct loan programs, in the initial budget summary table.

An important point made in the Commission's report was the emphasis placed on improved communication of budget information to the Congress and to the public. It was suggested that there should be more frequent within-year revisions of the January budget estimates, more detailed breakdown of aggregate budget figures into quarterly or semiannual units, and more comprehensive estimates which extend further into the future. The Commission was quite aware of your committee's parallel interest in this regard.

It is not yet known of course, how fully the report recommendations will be accepted by the President, either as a matter of general principle or, more specifically, in terms of the budget presentation in January 1968. In its letter transmitting the report to the President, the Commission noted the broad authority granted to the President to determine the precise form in which to present the budget to the Congress.

It also urged that work begin immediately to provide the necessary information and data so that those recommendations which meet with Presidential approval can be introduced as soon as possible. The Commission expressed the hope that many of these changes could be made in the 1969 budget document. The Commission realizes, however, that the fundamental nature of some of its recommendations and the work required to carry them out may preclude their adoption in a document that is already well along the way.

Active participation in the Commission's activities by the Budget Director and the Secretary of the Treasury should smooth the path toward adoption of the Commission's recommendations within the administration. Similarly, Commission representation on the congressional side should also help acceptance of those recommendations which directly involve the Congress in its consideration of the budget.

Chairman PROXMIRE. Thank you very much, Mr. Kennedy, for an excellent, helpful, and concise statement. You have certainly summed up your recommendations on the most complicated document known to man, in my view, very briefly and clearly.

We have had some experience with this kind of a Commission before. Yours has, of course, a great prestige. But I am thinking in terms of the experience we had with Professor Bernstein and his Commission, which was appointed by the Bureau of the Budget to make a study of the statistical reporting on the balance of payments.

They made a recommendation that we should rely on official transactions instead of liquidity basis. It is a technical complicated point that is not relevant here. Except that in that case, the administration seemed all for the Bernstein recommendations, and then when it developed that the Bernstein recommended statistical measurement did not indicate as much of an improvement in the balance of payments as the old method did, they went back to the old method.

The Secretary of the Treasury, since Bernstein made his report, has rarely referred to it—once in a while when we needle him, he will include that, too. But he likes to call the old method the overall basis. And it is understandable. I think the Secretary of the Treasury is a wonderful and very able man. He, of course, is doing the best job he