

ever, this is part of the budget review and the program review that is going on right now, and I shall not prejudge it.

Representative MOORHEAD. As a budgetary matter, and in your role as the Director of the Bureau of the Budget—don't you foresee difficulties in being able to report as to the effectiveness and longrun wisdom of a tax incentive program for job training? Don't you fear that what is today socially desirable to put into the tax system may be the loophole of tomorrow, especially at a time when we are talking about meaningful tax reform?

It seems to me that as the Staff Director of the Budgets Concepts Commission and now the Budget Director, that it would be highly inconsistent to favor tax incentives rather than demanding that these expenditures be on the expenditure side of the budget so we can tell exactly how much this program is going to cost us.

Mr. MAYO. I understand the question that you are raising very well. And I think we must be watchful of it.

Representative MOORHEAD. I hope you are. Also, in your statement you suggest that \$1 billion on the expenditure side and at least \$0.7 billion on the revenue side of the budget are contingent upon the passage of certain legislation by the Congress.

Mr. MAYO. Yes.

Representative MOORHEAD. Has the administration taken a stand recommending this legislation, or will the administration take such a stand in the near future so that the budget will show a restraining surplus that the previous administration presented?

Mr. MAYO. This is part of the review that is going on right now, sir, as to what the administrations' position will be on each of these issues. The Postmaster General is looking at the problem of rate increases. The Department of Agriculture is looking at the Farmers Home Administration programs. And so forth. It is too early for administration policy positions to be taken on some of these issues yet.

Representative MOORHEAD. Will the budget surplus be dependent on the Congress acting on these measures by June?

Mr. MAYO. Well, I believe the assumption in the budget is that they would be enacted in this session of Congress—and I would assume before June 30. Certainly on something like postal receipts, an early date is rather critical if we are going to realize the figure that is in Mr. Johnson's budget.

Representative MOORHEAD. As the chairman pointed out, in the best of Congresses there is an administrative lag time between the time the proposals come up and hearings are held and action taken by the committees, and the two versions passed by both Houses are reconciled. And I just think that we need to discuss—

Mr. MAYO. It takes time.

Representative MOORHEAD. We want to cooperate with you, but we do have some institutional limitations here, as you know.

Mr. MAYO. Right. And we want to take enough time to study these matters. Many of us are new in many parts of this, although we have had experience that will be helpful.

So we are balancing the time factor here against the desire to wait until we are sure that we have the right answers. If one does the latter, he may wait forever, and be a complete failure.