

Mr. MAYO. I understand the problem very well. And as to the solution to the problem, I am much more uncertain, not just because I have been on the job for only a month, but much more fundamentally than that.

I have posed the problem—or philosophy, if I may—that maybe things do not get done until they just have to get done. And if you had a calendar year fiscal system, maybe the process would get postponed further, because of the attitude: “Oh, well, we do not have to quite make this deadline.”

Representative CONABLE. We would have some self-limiting factors, however, in that respect, because of elections.

Mr. MAYO. Yes.

That raises another possibility that has been suggested, sir, that maybe you would put the budget on a biennial basis. Many States operate on that basis. And I have some personal reservations as to whether that would be going in the proper direction—at least, as I have observed it in certain State governments. But it is, at least, something that has been mentioned.

You could argue that that would substitute a more thorough review; but its timeliness, of course, would be affected in the process.

Representative CONABLE. Without respect to anything you may do between now and any given time in the future, what do you consider to be the most unstable part of the budget as a result of your cursory examination of it up to this point?

Do you feel, for instance, that defense is subject to the widest variation, or what areas are likely to cause you the most trouble, which require the closest attention and the quickest action if trouble starts developing?

Mr. MAYO. Well, this is a pretty hard judgment to form. Even after a period of time, I am not sure I could give you a satisfactory answer to your question. The Defense budget, being the largest and having certain elements of both volatility and inertia built into it, is probably the most difficult to get a handle on. And yet, the budget of any department or agency has challenges in it from the standpoint of your ability to achieve a technical competence to form your own judgment, not just make a reservation on someone else's judgment. I think this is part of the problem. And I do not think, certainly at this stage, that I have any fixed idea that one agency's budget is easy and another's is tough in terms of achieving control.

Representative CONABLE. That is all.

Senator PROXMIRE (presiding). Senator Miller?

Senator MILLER. Mr. Mayo, in your prepared statement, you said:

For fiscal policy, this means that we should aim to provide restraint by achieving surpluses in the Federal budget in both the current and the coming fiscal year.

Yesterday, Dr. McCracken, in his statement, testified as follows:

Our view of the outlook and goal for 1969 implies the need for continuation of a budget whose expenditures are at least matched by the revenues from the tax system—assuming at least full employment.

Reading these two pages together, it sounds to me as though you are shooting for surpluses, whereas he is more or less looking for a balance.

Mr. MAYO. I would not want to put words in his mouth, but I would interpret what you just said, Senator Miller, as indicative of a mini-