

mittee is going to have hearings in the spring on this, and will go into detail on it, and I think that we would like to get additional information on the benefits and costs of the various public programs, including information on the characteristics of the beneficiaries of the outputs of these programs. This would be most helpful to us.

Mr. MAYO. I will be glad to work with you on this. I feel this is important.

Senator PROXMIRE. Now, in addition, I would like to ask you just a few more brief questions. Do you have a policy—have you worked out a policy on user charges? The advantages of user charges, it seems to me, are very considerable. They insure in the first place that the facilities will be used at an optimum level. They avoid congestion. And, No. 2, they tend to place the cost or burden of a public program on those who use them.

We have shifted to some extent in this area. Do you have any policy worked out as yet?

Mr. MAYO. No. This is part of our review again. As I mentioned in my statement, Mr. Chairman, on the user charges that were presented in the budget, we are taking a careful look at these.

Senator PROXMIRE. I hope you will let us know on this, because we are very interested in this.

And also Secretary Barr made a very, I thought, imaginative series of proposals to us just as he left office, and one of them was on what he called tax expenditures. You know the impact of tax credits, and so forth, on the budget. He said they represented a serious drain on revenues. And I wish you would do this: React to the proposal that a more comprehensive budget document be prepared which would display tax expenditures as well as regular Federal outlays, and the comment on the effect which the anticipated administration proposal on tax credits would have on the size of expenditures as defined by the U.S. Treasury report.

Mr. MAYO. We will take a look at that. I am aware of Mr. Barr's suggestion. I can see some possibilities in it. I can see some problems in it, too.

Senator PROXMIRE. If you could do that to some extent, summarize it perhaps when you are looking over your remarks, we would appreciate it, because we would like to get a reply from you just as soon as we possibly can.

Mr. MAYO. All right.

(The further reply from the Bureau of the Budget follows:)

Supplementary comments were requested on two subjects: (1) the proposal that a more comprehensive budget document be prepared which would display tax expenditures as well as regular Federal outlays, and (2) the effect which the anticipated Administration proposal on tax credits would have on the size of expenditures as defined by the U.S. Treasury report.

(1) The principal virtue of periodic estimates of tax expenditures is that, when related to regular budget outlays, they would afford a comprehensive measure of all calls upon budget resources—whether as direct outlays, loans, or revenue forgone. A fuller measure of the role of the Federal Government in allocating resources would thereby result. Moreover, since tax expenditures estimates measure the current cost, in terms of revenue forgone, of special tax provisions adopted in the past, they are essential to re-evaluations of these tax provisions.

The drawbacks associated with estimates of tax expenditures are both conceptual and practical in nature. Several conceptual limitations of tax expenditures estimates were noted in the Treasury Department study, "Tax Expenditures: Government Expenditures Made Through the Income Tax System," sub-