more active in our cities and for the disadvantaged. I think it is a very fine statement, but how would you feel about providing in the budget what Secretary Barr suggested, that is, having the cost of all of the tax concessions we have, including investment credit, and so forth, listed along with our expenditures so that we have some notion of how we are proceeding?

After all, from the viewpoint of the Congress, a tax concession is just as costly, from the viewpoint of balancing the budget, as expenditures are. And, by and large, they go to those with big incomes, and then trickle down.

Mr. WALKER. I think figures to indicate this sort of thing would be very, very useful, indeed. And you can bet your boots that when and if we go up to the taxwriting committees with these proposals, we are going to have to show what the initial revenue costs will be.

Senator PROXMIRE. It is a matter of submitting regular budgetary reports to the Congress, not just answering questions when you are asked, but so the country and the Congress would know what a burden those are.

Mr. WALKER. I want to point out that there is a substantial body of opinion that believes that some tax credits stimulate economic growth and, therefore, national income and corporate profits and bring back new revenue to the Treasury. Thus a tax credit may not in the long run cost any revenue but quite the contrary.

Senator PROXMIRE. You can say that about a lot of appropriations. I can say that about manpower training appropriations, that in the long run, in the short run in fact, it is a marvelous investment. They bring back returns many times.

But I think, to go from that to the notion that therefore it should not be reported——

Mr. WALKER. I did not mean to imply that at all. But I think Congress has got to look at the other side of the coin, if it is a productive credit or a productive subsidy, that you can't just look at the costs in 1969. You must also consider future benefits.

Senator PROXMIRE. I do not think you should necessarily eliminate these things. I think most of them are highly justified.

Mr. WALKER. I think Congress should have figures to the extent that they can be developed along these lines.

Senator PROXMIRE. My time is up, Mr. Chairman.

Chairman PATMAN. Senator Miller?

Senator MILLER. I would like to refer to this point of tax exemption on municipal bonds, Mr. Walker.

I agree that there are many taxpayers who are very concerned about reading in the newspapers that people with a lot of money invested and a substantial net income did not have to pay any taxes. I am also concerned about the ability of the local governments to finance their operations. Now, there are extremes. I think we are in one right now, where there is complete tax exemption. The other extreme is to do away with the tax exemption. I would hope that the Treasury would come out with a recommendation somewhere in the middle ground. One suggestion is that if a person shows $150,000 of taxable income on his income tax return and $100,000 of nontaxable income, he would have to pay tax on $50,000 because it exceeds by $50,000 the amount of the taxable income. Another possibility would be to use the percentage