Incurring obligations does not necessarily mean immediate cash expenditures. When the Government buys goods and services produced by the private sector, the lag of expenditures behind obligations may be substantial. In the case of items not usually kept in inventory, like military hardware, it usually takes time for private producers to draw plans, negotiate subcontracts, produce, and deliver the product.

*Reconciliation of various measures of Federal receipts and expenditures*

[Billions of dollars]

| | Fiscal year | | |
|---|---|---|---|
| | 1966 actual | 1967 estimate | 1968 estimate |
| RECEIPTS | | | |
| Administrative budget receipts | 104.7 | 117.0 | 126.9 |
| Plus trust fund receipts | 34.9 | 44.9 | 48.1 |
| Less intragovernmental transactions | 4.5 | 6.2 | 6.5 |
| Receipts from exercise of monetary authority | .6 | 1.1 | .5 |
| Equals Federal receipts from the public | 134.5 | 154.7 | 168.1 |
| Less Cash transactions excluded from Federal receipts account (District of Columbia, financial transactions, etc.) | 1.3 | 1.8 | 2.0 |
| Plus Items added to Federal sector account but not in cash receipts (netting differences, timing differences, etc.) | -.6 | -3.1 | 1.0 |
| Equals Federal receipts, national income accounts | 132.6 | 149.8 | 167.1 |
| Plus adjustment for tax receipts because of deviation of economy from high employment | .3 | .2 | 0 |
| Equals high-employment receipts | 132.9 | 150.0 | 167.1 |
| EXPENDITURES | | | |
| Administrative budget expenditures | 107.0 | 126.7 | 135.0 |
| Plus trust fund expenditures | 34.9 | 40.9 | 44.5 |
| Less intragovernmental transactions | 4.5 | 6.2 | 6.5 |
| Debt issuance in lieu of checks and other adjustments | -.4 | .6 | .7 |
| Equals Federal payments to the public | 137.8 | 160.9 | 172.4 |
| Less cash transactions excluded from Federal expenditures account (District of Columbia, financial transactions, etc.) | 7.3 | 8.7 | 5.0 |
| Plus items added to Federal sector account but not in cash payments (netting differences, timing differences, etc.) | 1.8 | 1.5 | 1.8 |
| Equals Federal expenditures, national income accounts | 132.3 | 153.6 | 169.2 |
| Plus adjustment for expenditures because of deviation of economy from high employment | 0 | 0 | 0 |
| Equals high-employment expenditures | 132.3 | 153.6 | 169.2 |
| SURPLUS OR DEFICIT | | | |
| Administrative budget | -2.3 | -9.7 | -8.1 |
| Cash budget | -3.3 | -6.2 | -4.3 |
| National income accounts budget | +.3 | -3.8 | -2.1 |
| High-employment budget | +.6 | -3.6 | -2.1 |

Sources: The Budget of the United States Government for the Fiscal Year ending June 30, 1968 and Federal Reserve Bank of St. Louis.