ceipts, which causes changes in the total of the public debt and in the Government's cash balances. Trust account surpluses or deficits, on the other hand, merely alter the proportion of the public debt held by these accounts.[61] All expenditure series, including the conventional budget measure, exclude the effects of such important fiscal actions as guarantees of private loans, and commitments or contracts to make either future payments of benefits or to purchase goods and services.

FEDERAL GOVERNMENT PAYMENTS TO THE PUBLIC

The series on Federal payments to the public is often termed the "consolidated-cash" budget because it combines budget expenditures with the expenditures of other funds and eliminates transactions not involving the flow of cash from the Government. However, this series and its counterpart, Federal receipts from the public, do not comprise a budget but are a financial statement in the budget document and are generally based on the materials available in the detail of the budget.[62]

Coverage. The government transactions in this series include, in addition to those of government-owned agencies and enterprises (which are included in budget expenditures), the funds which the Government holds in trust [63] and the operations of government-sponsored enterprises (except the Federal Reserve and Postal Savings Systems).

The major funds for which the Federal Government acts as trustee are the old-age and survivors' insurance fund; the railroad retirement fund; the veterans life insurance funds; and the civilian government employees retirement funds. The disbursements of these funds are primarily transfer payments to individuals covered under the various social insurance systems.[64]

The government-sponsored enterprises include those in which the Federal Government has had a share of ownership from time to time: the banks for cooperatives, the Federal home loan banks, the Federal land banks, and the Federal Deposit Insurance Corporation.

Basic of measurement. Unlike the budget expenditure series which is on a "checks issued" basis, the cash payments series is on a "checks paid" basis. This transition is accomplished through adding in the total for the clearing account for outstanding checks, which adjusts for the checks which have been issued but not yet cashed.

In determining the cash totals, the total of budget expenditures is added to trust expenditures, and a number of adjustments are made. Table 9 shows the major adjustments, including deduction of intra-governmental transfers and non-cash transactions, which must be made in arriving at the cash total.

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[61] Certain other factors affect changes in the public debt and cash balances, such as direct borrowing from the public by Government enterprises and changes in the trust funds uninvested working balances.

[62] *1962 Budget*, *op. cit.*, "Special Analysis A," pp. 979–982.

[63] Note the comment of the Committee for Economic Development: "* * * if we want to weigh the effects of the budget upon private purchasing power, total demand, employment and prices, the budget must include these important collections and payments." *Taxes and the Budget*, New York, CED, 1947, p. 18.

[64] The Federal-aid Highway Act of 1956 established a highway trust fund to which receipts from designated highway-related excises are deposited and from which grants to the States are made. The extent to which these funds are not government-owned but are held in trust is rather questinoable. The operation of this trust fund is closer to that of programs financed by earmarking budget receipts.