

TABLE 9.—*Derivation of Federal Government payments to the Public, fiscal year 1960*

Description	[In billions]	Amount
Budget expenditures.....		\$76.5
Trust fund expenditures.....		21.8
Expenditures of government-sponsored enterprises.....		.5
Less:		
Intragovernmental transactions.....		4.1
Non-cash debt transactions (net).....		.4
Federal Government payments to the public.....		94.3

Source: 1962 Budget, op. cit., p. 981.

Major intragovernmental transfers which are eliminated are budget and trust payments to Treasury, such as interest paid by government corporations; budget payments to trust funds, such as the interest paid on United States securities held by trust funds; and trust payments to other trust funds, such as the payment made by the District of Columbia to the civil service retirement fund.

Accrued budget expenditures in the form of increases in public debt are also eliminated. The most important such adjustment results from the savings bond program where semiannual increases in redemption value occur during the life of the bonds and are currently reflected in budget expenditures. A single cash payment of interest is made when the bond is redeemed, involving no additional budget expenditures. A cash payment, however, is then recorded for all of the interest earned.

Changes in concepts. No major conceptual revisions have been made in this series since 1947. A few changes have been made to reflect similar changes which have been made in the concept of budget expenditures such as in the method of handling refunds of receipts.

A companion series prepared by the Treasury Department, cash income and outgo, has undergone extensive revision. Prior to the 1954 change in Federal reporting, cash outgo was identical with cash payments, and cash income differed from Federal receipts from the public only by seigniorage on silver, which is cash income from the viewpoint of the U.S. Treasury but is not a receipt from the public.

Since the change, the Treasury cash series has been titled "Cash Deposits and Withdrawals" and is computed from the viewpoint of the Treasurer of the United States. Under this concept a transfer of funds from the Treasurer's account to the account of a government corporation with a commercial bank is recorded as a cash withdrawal. A payment by a government corporation to a private individual or to a business firm from such "outside" checking account is not included in cash withdrawals. In contrast the Budget Bureau series refers to payments to the public regardless of whether these transactions are carried on through accounts of the U.S. Treasury or through government agency accounts with commercial banks. The net difference between these two series is slight. Payments to the public in 1960 were \$94.3 billion compared to cash withdrawals of \$93.5 billion.⁶⁵

Types of payments included. Despite the various adjustments made in converting from the conventional to the cash basis, the measure of payments to the public is still essentially just as heterogeneous in coverage. From the viewpoint of gauging economic effects, the

⁶⁵ 1962 Budget, op. cit., p. 982.