series of actions. Under some circumstances, attention should be focused on the earlier phases of the spending process in order to adequately gauge or understand the economic impact of a government spending program, particularly one involving goods and services produced in the private sector.

Aside from the availability, one of the main reasons why the three "expenditure" measures can be so generally employed is that during a period of stability or little change in government operations, they are quite satisfactory. When the composition and level of government programs are stable, the length and complexity of the Federal spending process can usually be safely ignored. The current levels of authorizations granted, contracts let, production performed on government account and Federal expenditures incurred are all approximately the same for a given procurement program and any expenditure series is generally adequate to measure the impact on the economy.

As noted earlier, none of the measures of the early stages of the Federal spending process—such as the granting of spending authority or the making of commitments to spend—are among the economic series or indicators in current usage. It is the thesis of this study that such measures are of distinct importance to economic analysis and that their current absence is a gap in our knowledge. The following chapter is devoted to methods of preparing such series.

Measures of the Various Phases of the Government Spending Process

It is the purpose of this chapter to examine the availability of series on the government spending process and on the problems involved in filling existing gaps.

NEW OBLIGATIONAL AUTHORITY

The annual budget document shows new obligational authority for 3 years: the fiscal year most recently completed, the current fiscal year, and the following fiscal year. The latter two figures are, by their very nature, *ex ante* estimates. No estimates are prepared on a monthly or quarterly basis.

The absence of monthly or quarterly totals of new obligational authority may not be very important ordinarily due to the annuality of the appropriation cycle. The bulk of the funds for a given year are appropriated within a period of a few months around the beginning of the fiscal year and, hence, it is the differences in the annual totals for consecutive years or between the amount requested and the amount approved which are significant. In case of sudden and large changes in government spending programs, however, the timing of specific grants of authority may be important, particularly in gaging the impact on business and consumer anticipations.

The reported figures on new obligational authority exclude the operations of the trust funds and the government-sponsored corporations, whose transactions are not included in budget expenditures. However, they include all major changes in government spending programs affecting current output. The trust funds primarily disburse transfer payments and the sponsored enterprises primarily engage in banking and in insurance activities. These activities do not require annual congressional grants of new obligational authority, and they give rise to little anticipatory effects on the economy.