behalf of the Chamber of Commerce of the United States for dealing with them. I am pleased to enclose the committee report and a membership roster.

I believe the National Chamber has been fortunate in the caliber of committee members we were able to bring together. The experience of these men has permitted reviewing the problem from a variety of viewpoints in the time available.

The federal budget has many facets ranging from the first compilation of data within the agencies to executive action on Congressional appropriations. The Committee did not cover the entire budgetary area. Rather, it concentrated its attention on the area of budget presentation. The objective of our comments and proposals in this regard is the fullest possible understanding by the public and the Congress of the current and prospective financial status of the government at the time of budget presentation and of the financial implications of continuing and proposed federal programs.

The report does not concern itself with implementation. It is believed appropriate to leave that matter for resolution by you after first considering the recommendations and comments.

The Committee is grateful for the kind assistance of Mr. David E. Bell, Director, Bureau of the Budget, and his associates.

Sincerely,

H. LADD PLUMLEY, *President.*

CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA, WASHINGTON, REPORT OF THE COMMITTEE FOR IMPROVING THE FEDERAL BUDGET, APPROVED BY THE NATIONAL CHAMBER BOARD OF DIRECTOR, OCTOBER 19, 1962

IMPROVING THE FEDERAL BUDGET

I. THE BUDGET AS A REFLECTION OF FEDERAL PROGRAMS

The annual budget presents the fiscal aspects of the President's program, and general understanding of it permits intelligent participation by the public in determination of government policies. Knowledge by the citizen of the fiscal facts of the federal budget is an essential to sound representative government. The objective of and the common thread linking our comments and proposals is the fullest possible understanding by the public and the Congress of the current and prospective financial status of the government at the time of budget presentation and of the financial implications of continuing and proposed federal programs.

The Committee recognizes that many improvements have been made over the years to provide Congress and the American people with an annual presentation of government programs, their estimated cost and the manner in which the costs will be financed.

The paramount objectives in budget improvement are set forth by the Bureau of the Budget; first, to be complete, informative analytical and accurate; and, second, to be simple, concise and understandable. However, the pursuit of one objective can interfere with the attainment of another. The quest for complete information can hamper attempts to be concise and understandable. Thus, an all-purpose budget must represent a compromise designed to meet different objectives.

With these considerations in mind, the Committee studied the forms of the existing administrative budget and of other proposals for changes in budget presentation.

The Committee concluded that a comprehensive cash budget should be the principal vehicle for the President to present his annual financial plans to the Congress and to the public. Shortcomings of other forms—the present administrative budget and the sometimes proposed capital budget—support this conclusion. The Committee also considered the appropriate role of the national income and product accounts and the so-called full employment budget.

II. VARIOUS BUDGET CONCEPTS

Administrative Budget

A budget which includes only 70 percent of federal receipts and expenditures is not an adequate vehicle for the President in submitting his financial plans to the Congress and the public. The present administrative budget totals omit trust fund receipts and payments and record public enterprise transactions on a net basis, because such funds are not available for general purposes. However, the significance in many areas of the omitted transactions is no less than that of receipts and expenditures shown in the administrative budget.