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Mr. MADDEN. The principal point to be made regarding Federal budgeting is that each of the four current concepts—the administrative; cash; national income accounts; and high employment budgets—performs a particular service.

Each is necessary to a better understanding of the effects and role of the Government's fiscal operations; but none is sufficient in this regard. Which of these concepts is the most important depends on the questions to be answered, as I have already suggested. An important corollary of this proposition is that the economic significance of a Federal deficit or surplus will be different depending on which budget concept is being used.

As a case in point, by emphasizing the NIA budget in its annual report, the Council is able to refer to a smaller fiscal year 1968 deficit than if it had emphasized the administrative budget. But what are the economic implications of this smaller deficit? As already indicated, the NIA budget suffers from a serious timelag in showing the influence on the economy of rising (or falling) Federal procurement, as for defense. For this reason, Mr. Chairman, we agree with your proposal that a quarterly review of budget estimates should be instituted, especially the estimates for defense spending.

Similarly, the administrative budget is badly in need of reform, as ex-Budget Director Maurice Stans has emphasized in a recent U.S. News & World Report article in the January 16, 1967, issue. We are pleased to find the administration thinking along the same lines as Mr. Stans in the President's announced intention to appoint a nonpartisan Commission on Budget Reform. This Commission should examine, among other things, the advisability of eliminating over-

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