

mission and the Brookings Institution on July 31 and August 1, 1967—should be published before the end of the year.

There have been many changes over the years in the manner of presentation of the President's budget to the Congress and to the American people. Most of these changes have helped to make the budget of the U.S. Government the best in the world in terms of clarity of presentation, but many of them have been confusing and misleading.

The President's budget serves many purposes:

It sets forth the President's requests to Congress for new programs, appropriation of funds, and changes in revenue legislation;

It proposes an allocation of resources to serve national objectives, between the private and the public sectors, and within the public sector; and

It embodies the fiscal policy of the Government for promoting high employment, price stability, healthy, growth of the national economy, and equilibrium in the Nation's balance of payments.

The budget is also used to measure the size of Government in the national economy, to assist the Treasury in the management of its cash balances and the public debt, to help economists in the analysis of national income in our social accounting system, to measure the impact of Federal activity on financial and credit markets, and to provide data for a great many other purposes.

Continuing shifts in emphasis from one purpose to another have resulted in at least a partial transition in recent years from the traditionally accepted administrative budget to the more comprehensive consolidated cash budget and, more recently—as the influence of economists in national affairs has risen—to the national income accounts budget.

Having the budget presented in several different ways has made it more difficult to understand and more susceptible to charges of "gimmickry." Differences in the treatment of many individual items in the budget—such as the deduction of participation certificate sales from expenditures rather than showing them as a means of financing like Treasury bond sales—have also been questioned on one ground or another.

The President's Commission on Budget Concepts was created solely for the purpose of recommending steps which would make the President's budget presentation more orderly and consistent. The Commission was not asked to review *substantively* any tax or expenditure or financing program but rather to set up consistent *rules* to be followed over time in the presentation of those programs.

The Commission's report was released to the public on October 18. We believe its major contribution is the recommendation of a *unified* budget system, drawing into that unified concept the best characteristics of each of the currently used budget concepts—plus some improvements which go beyond any of the present forms of presentation. Although the figures relating to each of the three present budget concepts would still be available as statistical tabulations, the Commission recommends strongly that the terms "administrative *budget*," "cash *budget*," and "national income accounts *budget*" disappear and that only the new concept be called "the budget." The new budget would also present a closer tie between congressional appropriations and projected expenditures. The recommended form for the budget summary table begins with figures on appropriations.