

Now your recommendation for accrual accounting, which I agree won't help us in this particular problem—the problem of the Ways and Means Committee. In fact, I worry that the overall thrust of this does not help the Ways and Means Committee or the Congress in meeting this problem of debt management.

Am I in error in thinking that some of these recommendations you make would help us to distinguish cash flow from actual expenditures, where we have to put the money out?

Mr. KENNEDY. Mr. Curtis, I think the accrual accounting will help. It is not a cash flow statement. But the Treasury will still have to have records on a cash basis, because they have to meet the obligations with the money in the bank. But this will give the figures for the year of a budget deficit that has to be financed, and it will carry through as a means of financing on table I, right at the first part of the budget.

Representative CURTIS. Let me interrupt. You see, here is the problem.

The expenditure level is almost completely within the discretion of the Executive once Congress has given the Executive the power to spend. I think the key table is in the budget message of the President, 1968,⁶ on page 49, which shows new authority recommended to Congress—that is the \$144 billion of new power to spend—but that must be coupled with the unspent authorization enacted in prior years, \$125.6 billion, which would give the President power to spend a total of \$269.6 billion.

In this message, which was given to us in January, he says out of this \$269.6 billion power to spend, I will only use \$135 billion in this fiscal year. This is the figure the Ways and Means Committee has to know about, as well as what we can anticipate in revenues.

We now find in September, or rather in October, that the President is actually spending at a level of \$146.8 billion. I am reading from page 35 of the October economic indicators, under "Federal Financing," cumulative totals for the first 3 months of fiscal year 1968, \$36.7 billion, multiply by 4 to get the annual figure, and it is \$146.8 billion.

Now the Executive has reduced that level without any reference to the Congress. And this is not said critically, because I think every Executive needs flexibility. Actually, as I have said, I think the Executive is probably disobeying the law, because we have had continuing resolutions passed on appropriations since July 1, 1967, the beginning of this fiscal year, which required that those agencies which had not got their share of this new \$144 billion spending authority spend at the level of the previous fiscal year.

Well, that level was \$125.7 billion—not \$146.8 billion. Now, again, getting back to the key question, it is important that the relationship between appropriations and expenditures should be spelled out very clearly in the budget message. But I would add, if the Executive wants to change the figure that it gave the Congress as its level of expenditures for that fiscal year, that they should say so, and explain why. Otherwise we on the Ways and Means Committee are caught up in this problem of how much debt are we going to have to issue to pay our bills in that fiscal year.

Does anyone want to comment on this problem? Because the budget message is supposed to be helpful to solve immediate problems

⁶ "The Budget of the U.S. Government—1968," Superintendent of Documents, U.S. Government Printing Office, Washington, D.C.