general revenue route. The special legal status of trust fund activities is irrelevant from the standpoint of economic impact.

Moreover, I might add that I feel too much is often made of the separate and distinct nature of Federal programs operated through the trust fund device, such as social security. Certainly there is little to the argument that social security benefits are somehow better protected and more sacrosanct than comparable programs which do not operate through a trust fund. For example, I can no more imagine a failure to meet veterans' benefits or military and civilian Federal employee retirement benefits than I can a failure to pay social security benefits. We have in practice long since abandoned a true insurance approach to social security—and very wisely so. And both the rates of payroll and other specially assessed and earmarked taxes which go into trust funds and the benefits and other expenditure rates from trust funds are modified by the Congress at least as frequently as are general revenue tax rates and expenditures on comparable programs financed from the general fund. I would have welcomed some discussion of this point in the Commission's report. We will get more sensible consideration of Federal programs when it is recognized that changes in trust fund activities represent tradeoffs with activities funded by regular appropriations. Certainly in assessing the impact of Federal activity the trust fund accounts must be included.

The report of the Budget Concepts Commission indicates very clearly the reasons for excluding Federal lending programs when one is concerned with economic impact, and I need not repeat this argument here.

The Commission's total unified budget—and particularly "the budget deficit (surplus)" as they would use the term—is what I would call a financier's budget. This deficit/surplus is relevant primarily to Federal debt analysis and other aspects of financial management. This is a second important and legitimate viewpoint which needs to be reflected in the budget, and certainly lending activity is properly included when one is concerned with these financial aspects.

I might add also, of course, in considering the impact of Federal programs one is interested in proposed changes in the lending activities of the Government.

The third major purpose served by the preparation and transmittal to Congress of the President's budget is the detailed substantive content of the Federal program. I commend the Commission for emphasizing the congressional decision aspect of the President's recommendations. Thus, the budget as proposed would first focus on the authorization and appropriation actions which the President is requesting of the Congress. These would be put in an economic context by the following summary section on expenditures and revenues.

The particular concepts and ground rules used to construct the budget should, insofar as possible, be consistent with an accurate statement of the individual elements making up the total program of Federal activities. However, where choices must be made, as they inevitably must, the Commission has been right, I think, in choosing those rules which are most consistent with the development of totals, and resulting deficit/surplus calculation, which are meaningful, given the primary uses to be made of aggregate budget data.

To cite one example illustrating this point: From the standpoint of executive and congressional consideration of a given activity, gross