

Federal ownership the activity should be included. This rule commends itself as clear cut and unambiguous. I would, however, suggest that careful thought be given to a more meaningful rule which would reflect the degree of de facto executive branch control and management. Farm credit activities, in addition to the land banks, which the Commission does recommend be excluded or treated as a memorandum item, the FDIC, and FNMA in its secondary mortgage market activity, all operate with considerable independence and perform a role closer to that of the Fed than to direct lending programs. Perhaps a more sensible criterion would be to exclude all such credit activities, where the institution in question is typically dealing with other financial intermediaries and not with ultimate "clients," where the Federal ownership is below 50 percent. But this is a subject that does require more study, and I do not feel knowledgeable enough to make a specific firm recommendation.

Now that I am no longer in the Bureau of the Budget, I can be much more dispassionate and objective in considering the Commission's recommendations calling for more frequent reports to the Congress and the public on the status of the budget. I, too, want as much information in as timely a fashion as possible. And I do not think the Commission's specific recommendations suggest the imposition of a backbreaking burden on the Budget Bureau, the Treasury, and other parts of the executive. However, I would enter two caveats on this score: First, all budget estimates projecting future Federal expenditure and other financial activity are inherently subject to judgment and error. This suggests that frequent revisions of budgetary forecasts don't really give the recipient very firm additional information, especially when one is asking for quarterly projections which can reflect "blips" due to accidents of timing of particular actions but which have no real significance. Second, it seems to me unrealistic and naive to expect any President to publicly revise his budget estimates until Congress has completed appropriation action unless such revision reflects a modification in his own recommendations to the Congress. In other words, the Budget Bureau cannot really be expected to say, for example, in July or August of any year, "We are revising our January estimates of expenditures for the current fiscal year, since even though the President has recommended  $x$  billion dollars in appropriations, we don't really think the Congress will give him more than  $y$  billion dollars." With regard to the so-called midyear review, it is questionable what purpose is served by such a report in those years when Congress doesn't end its session until November or December, since the effects of congressional action will in any case be fully reflected in the January budget message.

Turning to the Kennedy Commission suggestions for the timetable for implementing their recommendations, I have only one suggestion of my own: the administration should introduce the major substantive changes at one time, which means, I expect, waiting at least 2 or perhaps 3 years. There is no problem I can foresee with adopting the major features of the Commission's suggested format; that is, their basic format. But, as the Commission itself recognizes, the full development of the basic accounts on an accrual basis, plus the task of estimating the subsidy element in Government loan programs, will require considerable effort and time. My hope would be that these and other more detailed conceptual changes would not be introduced