

be captured by a single number or even by a single set of a few numbers. The Commission's plea for a simple, "unified budget," is properly tempered by its awareness that no single set of accounts can tell the whole story nor serve all purposes of policymakers and analysts.

Fifth, the report's suggested treatment of the public debt seems to me a more sensible and meaningful approach than that presently followed. It is probably too much to hope that the Congress will recognize that setting a debt ceiling is a very imperfect and inherently ineffective device for exercising congressional control over the level of Federal activity. The Commission's suggested budget format has the virtue of highlighting the appropriation decisions requested of the Congress and it is here in particular that congressional control and direction should manifest itself. The annual debt ceiling debate seems to this observer at least a diversion of scarce executive and legislative time and talent. And it never really accomplishes the purpose of exerting the fiscal discipline which Members of both Houses are properly seeking. I would have welcomed an even braver stand from the Commission on the issue of the debt ceiling, since I am convinced that the whole notion of a legislative limit on borrowing makes little sense and could best be done away with.

There are many other good things in the Commission report, both in terms of specific recommendations as well as in the discussion of the reasons which lead the Commission to its conclusions. The report takes on added significance when one considers the distinguished and broadly representative character of its membership. And I would like to add particularly to the significance of the fact that senior Members of the Congress were members of the Commission.

Finally, I must add a word of admiration and gratitude for the lucid and straightforward presentation of the Commission's report. Those responsible for drafting this document, which deals with a subject full of technicalities and jargon, have set a standard which we can all hope will be met by comparable reports in the future.

Thank you very much.

Chairman PROXMIRE. Well, thank you very much, Mr. Capron, for a most impressive and helpful analysis.

Our other witness is Mr. Stein.

Mr. Stein, go right ahead.

STATEMENT OF HERBERT STEIN, FISCAL ECONOMIST, THE BROOKINGS INSTITUTION

Mr. STEIN. Thank you.

The President's Commission on Budget Concepts had produced an exceptionally logical and clear report on a complex subject. Its recommendations, if followed, would constitute an improvement over present practice. By and large I agree with those recommendations.

The Commission has set forth in its published report the reasons for its recommendations. Moreover, this subcommittee has just heard from representatives of the Commission who explained and defended their conclusions. I don't suppose we were invited here this morning to pin medals on the Commission, however much we may admire its work, but rather to suggest to the Congress some of the questions which it should have in mind in coming to its own conclusions about the recommendations of the Commission. Therefore, I shall proceed to these questions and possible uncertainties.