

The Commission's first, and as it says, most important recommendation is that there should be a unified budget. I shall consider later the reasons for such a recommendation.

The only reason for the recommendation of a unified budget that is visible in the report is the desire to avoid confusion on the part of the public. And I am a little mystified about why we find it, or have found it, so confusing to have three numbers about the Federal budget.

As I pointed out to a friend the other day, nobody finds it confusing to have three numbers for the size of Miss America, to which my friend replied, "There is a difference in that the budget is not beautiful." And perhaps one number conveys even more than we want to know about the Federal budget.

However, I would like to point out that the Commission's recommendations either do not produce a unified budget or produce a different unified budget than the one they think they are recommending.

What the Commission seems to mean in recommending that there should be a unified budget is that there should be one total of receipts, expenditures, and deficit or surplus that we should always mean when we talk about the budget and that we should use for all the purposes for which the budget figures are relevant. But the Commission's recommendations would give us two sets of figures to start with—one being the receipts, expenditures, and surplus on expenditure account, and the other being receipts, expenditures plus net lending, and total budget surplus. The report warns us sternly that we are to apply the term "budget" only to the second of these sets of figures. But they don't explain very convincingly why the expenditure account is to be so prominently displayed if it is to be so subordinated in our thinking. As I read this part of the report, I felt like a small boy whose mother warns him to keep his eyes straight ahead as he passes the poolroom; there must be something fascinating going on in the expenditure accounts if we have to be warned so often not to consider them as the budget. In fact, on the Commission's own analysis, the most interesting questions are to be answered in terms of the expenditure accounts, not in terms of the total budget. It is the expenditure accounts, according to the report, that give the best indication of the economic impact of Federal finance, and it is the expenditure accounts that we should be looking at when we think of the need to raise or lower taxes, that is, according to the Commission. I do not find any functions of greater importance assigned to what the Commission calls the "budget."

My expectation is that if the accounts are set up as the Commission recommends we either will have two sets of numbers in roughly equal competing use or will focus attention after a little while on the expenditure accounts as the budget we are interested in, and what the Commission calls the budget well could be a vestigial appendix. Neither of these may be a terribly bad outcome, but neither is the outcome the Commission says it wants.

I think we have to recognize that a decision about budget concepts is not a neutral scientific decision about the clearest and most accurate way to present certain "facts." The choice of a budget concept is a policy choice; it reflects policy decisions and in turn influences policy decisions. The definition of the budget will have certain consequences for fiscal policy, and the choice of a definition should be made in a way that leads to the fiscal policy we want. The Commission report is not very explicit about the policy judgments involved in its recommendations, and I would like to suggest what I think they are.