

Perhaps the only substantial question I raise with the Commission's report is on this latter point. I would have preferred a budget summary in three columns—using a concept commonly employed by many Government and nonprofit institutions—by which general fund transactions appeared in a first column, special fund transactions in a second, and the third column (being the total of the two), would conform exactly with the budget table proposed by the Commission. The major difference is that I would term the final figure in the first column (the difference between general fund receipts and expenditures) as the surplus or deficit, and the final figure in the second column (the difference between special fund receipts and expenditures) as an increase or decrease in special fund reserves.

Alternatively, and as an absolute minimum of disclosure, I believe that a footnote identified with the surplus or deficit figure in the Commission's format should state how much of that amount was the result of increases or decreases in trust fund liabilities.

With these few doubts, I repeat my endorsement of the report and commend the Commission for its speedy and effective workmanship. The recommendations in the report, when effective, will go a long way toward the goal of a logical, consistent, technically sound, and understandable budget document for the Federal Government.

SUPPLEMENT

As a supplement to this statement relating to the principles and concepts expressed in the report, I would like to add a few thoughts about implementation of the proposals.

I have not made any attempt to determine which of the recommendations, if any, require new legislation to permit them to become effective. It may be that some of them cannot be adopted without congressional authorization. It may be desirable that some or all of the new principles be enacted in an amendment to the Budget and Accounting Act of 1921. Whether or not legislation is required or desirable, it is clear that full understanding and cooperation of the Congress is imperative to allow the Bureau of the Budget and the various agencies to carry out the Commission's ideas. This is especially true in the use of accrual accounting for expenditures, in the netting of receipts and expenditures in business-type activities and loan programs, in the identification of interest subsidies, and in other elements of the budget in which either no present legislative expression exists or in which legislative provisions are inconsistent in similar situations (such as in provisions that certain receipts be treated as Government revenues while others go to revolving funds).

Furthermore, I think that some of the changes will be more difficult to implement than the Commission seems to expect. The identification and measurement of interest subsidies and provisions for loan losses, the definitions of "business-type or market-oriented" activities, and the transition to an accrual basis are complex matters of considerable magnitude and a wide range of variation, and it may take more than a few years to make them effective across the entire Government, and then to adjust reported figures retroactively for past years to make them comparable. Statistical estimates and approximations may be necessary in some cases while procedures are being refined, and hybrid