

CHAPTER 1

INTRODUCTION AND SUMMARY

The President's Commission on Budget Concepts in this Report presents its recommendations designed to make the budget of the United States Government a more understandable and useful instrument of public policy and financial planning.

This has not been a simple task. Given the scope and variety of Federal Government activities, the Federal budget is inevitably complex. In most respects, the Federal budget document is already the finest in the world. Nevertheless, certain improvements in concepts and methods of presentation are appropriate to bring this document abreast of the times.

In reaching its recommendations, the Commission has been particularly mindful of the objective which the President set for it, namely, to recommend an approach to budgetary presentation which will advance both public and congressional understanding of this vital document. The substance of the budget is of great national importance. This substance can be weighed and dealt with more intelligently if understanding is not complicated and confused by definitions that only accountants or other specialists can understand. The Commission has sought to arrive at concepts and principles which will be of continuing value to the administration, the Congress, and the public. This is the first time that a Presidential Commission has reviewed the basic concepts underlying the budget since passage of the Budget and Accounting Act of 1921.

The need for such an overall review was pointed up by criticisms which have been made of the budget over a period of many years. The more important of these criticisms have dealt with (1) confusion arising from the number of competing concepts of budget totals currently used or stressed in the President's budget message and the relationships between them; (2) the appropriate accounting treatment of individual items or groups of items and the effect of such treatment on the budget totals; and (3) the search for better congressional and public understanding of the budget program and more up-to-date availability of budget information. Many of these criticisms touch not only on the matter of understanding but also upon the constancy, consistency, and completeness of budget concepts. The Commission has worked toward improvements in these directions.

The Commission made no attempt to appraise the *substantive* character or desirability of any specific spending or lending program, any specific type of taxes or other revenue, or any specific means of financing; this was not