Is there a way out of this dilemma? It is the Commission's belief that there is, and that a unified concept of the budget as described in this Report, and developed at length in Chapter 2, can provide an integrated and comprehensive statement of governmental accounts which will serve usefully the several different purposes required of the budget, while improving its clarity, consistency, and intelligibility.

In deciding whether it is possible to develop a unified budget, one must distinguish between *competing* budget concepts, which cause confusion, and *complementary* budget concepts, which actually aid in understanding the scope and economic impact of the Government.

The administrative budget, the consolidated cash budget, and the national income accounts budget have often been used as competing measures of the total scope of Federal financial activity; they are not unified and can be used together only with a fairly elaborate reconciliation that tends to confuse more than it enlightens.

The Commission believes that there should be a unified budget—with complementary components—which will put an end to competing measures. A statement of Government receipts and expenditures other than loans, with a resulting expenditure account surplus or deficit, is complementary to a statement of net lending—i.e., loan disbursements less loan repayments. Net lending is then added to the expenditure account surplus or deficit to yield the figure on the total budget surplus or deficit. More directly, this is the difference between budget receipts and total budget expenditures, which cover the full range of Government programs requiring congressional appropriations.

There is no problem here of having to choose among competing budget concepts. These budget totals constitute a unified system. They produce in simple form the figures needed for:

(1) an analysis of the economic impact of the budget, i.e., excluding loans, and

(2) the aggregate figures, i.e., including net lending:

 (a) as a summary of agency and program amounts used by the Congress and the executive in deciding the appropriate allocation of resources to be used by the Government, and

 (b) to provide an accurate measurement of the scope of overall Government financial activity.

All of these elements of the budget should be set forth in the initial summary table in the President's budget message—starting first with budget appropriations, which are the key to the entire expenditure and lending process. The total budget, together with a statement of borrowing and other means of financing the budget deficit, make up the Government's financial plan, the structure of which may be set forth as follows: