

Federal securities, Federal securities held by the public, and Federal credit programs—both direct and guaranteed.

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The Commission believes that this kind of summary of the budget and financial plan conveys the key elements of national budget policy. It highlights the figures associated with the two most important purposes of the budget: The efficient allocation of resources by government, and the formulation of fiscal policy to benefit the national economy.

The work of the Congress and the executive branch should be facilitated by budget concepts in which all the different major purposes come to focus in a comprehensive unified budget, and public understanding of the budget and usefulness of budget information should be furthered.

In studying the budget, the Commission has not limited itself to restructuring the principal components and concepts of the budget but has ventured to make whatever other recommendations thought appropriate to improve the budget and increase public understanding. A summary of the Commission's major recommendations follows, with the reasoning supporting these recommendations. These findings, and other recommendations, are further developed in succeeding chapters.

THE COMMISSION'S MAJOR RECOMMENDATIONS

1. The Commission's most important recommendation is that a unified summary budget statement be used to replace the present three or more competing concepts that are both confusing to the public and the Congress and deficient in certain essential characteristics.

The summary budget structure recommended in this report with its complementary concepts should be the primary tabulation in the President's January budget and in Treasury financial reports, and should be utilized in executive branch statements and congressional testimony on taxes, the budget, and the public debt. Reports on congressional action on the budget should also relate to it. The new concept will make terms such as *administrative budget*, *consolidated cash budget*, and *national income accounts budget* obsolete, and continued use of such terms should be discouraged.

While the budget document should continue to present all tabulations and analyses needed to fulfill the many purposes which it serves, the term *budget* should be reserved exclusively for the new concept. Aggregate figures on receipts or expenditures calculated on any basis other than the budget should be given a separable subordinate explanatory role and should not be considered interchangeable with the *budget* (Chapter 2).

2. The budget should be thought of as part of a broad financial plan, which includes—in addition to budget appropriations, receipts, expenditures, and net lending—the means of financing the budget deficit (or use of a surplus) and information about borrowing and loan programs of the Government and its agencies.