

The Commission has specific and important recommendations affecting each of these components, and all of them should be highlighted in the President's budget message.

The Commission's recommendations, therefore, view the budget as a unified set of summary data. This approach is in contrast to the historic tendency to view the budget in terms of a single number—the surplus or deficit.

This overconcentration on the surplus or deficit figure is responsible for much of the present proliferation of budget concepts. In turn, it has been a root cause of public confusion and has been responsible for accusations of "gimmickry." If the public is to view the budget more broadly, the executive branch, the Congress, and the press should exercise leadership and educational responsibilities. It is not possible for one number to portray the scope, character, and economic effects of the Government's financial plan (Chapter 2).

3. More prominence should be given in the budget presentation to the actions requested of the Congress, including appropriations as well as revenue or other actions of a fiscal policy character.

The relationship between appropriations and expenditures should be spelled out very early in the budget message. The Commission also recommends redefining the term appropriations to cover all forms of congressional action which grant authority to obligate the Government to make expenditures.

It would thus cover not only what are now known as appropriations, but also authorizations to spend debt receipts and contract authorizations, less appropriations to liquidate contract authorizations. Reports and statements by both the Congress and the executive branch on congressional action with regard to the President's budget should relate to and be consistent with the concepts used in the budget, and should strive to translate appropriation actions into their effect on budget expenditures on a fiscal year basis (Chapter 2).

4. Flowing from the definition of a budget as a basic part of a comprehensive financial plan, the budget should include all programs of the Federal Government and its agencies.

Accordingly, the recommended budget includes almost all of the receipt and expenditure items now covered by the consolidated cash budget, but stated on an accrual rather than on a cash basis of accounting. Receipts and expenditures should continue to exclude borrowing and repayment of borrowing, purchase and sale of Government securities, and money-creating activities of the Government. Loan activities are separately classified within the proposed budget to permit measurement of the economic impact of the budget (Chapter 3).

5. With respect to timing, the Commission recommends that budget expenditures and receipts be reported on an accrual basis instead of the present cash basis.