

*Essentials of a good budget*

Both the particular program proposals and the overall fiscal policy aspects of the budget require congressional attention and action. In both respects, the President's proposals are required by law to be laid before the Congress every January. The budget message is, therefore, addressed "To the Congress of the United States."

These two aspects of the budget are vitally related to one another, and they should not be separated. The receipts and expenditures which make up the total fiscal policy of the budget flow from a multitude of individual revenue, appropriation, and legislative decisions. Each appropriation and tax law decision, therefore, has an economic impact as well as an allocative aspect.

In the Commission's view, a budget which is suitable for these interrelated major purposes should have the following characteristics:

- Summary measures of the budget should lend themselves readily to meaningful and significant measurement of the economic impact of the budget;
- Appropriations should relate clearly to expenditures, as well as being set out in a form that clearly indicates the congressional action requested for individual programs;
- The agencies and officials of the executive branch, who execute the budget after it is approved by Congress, must manage their programs effectively and efficiently, and be accountable for their stewardship of public funds. It is therefore necessary that the Treasury and agency accounts of actual financial transactions be directly related to the managerial and accountability requirements of Government agencies and officials. These accounts should also be verifiably related to the concepts used in the President's budget.

*Present shortcomings*

The Commission has been struck by the extent to which congressional and public attention to fiscal policy on the one hand, and program decisions on the other, have drifted apart, with alternative tabulations of the budget to suit these two purposes allowed to develop independently.

In recent years, many economists—including those who advise the President—have measured the fiscal impact of the Government's activities in terms of the national income accounts (NIA) budget, although this is not a budget in the sense of serving as an instrument of decision and control over individual agency programs.

At the same time, the Committees on Appropriations of the Congress, insofar as they have concerned themselves with receipt and expenditure totals at all, have tended to do so within the context of the administrative budget—a group of funds which is incomplete and inadequate as a measure of what the Government does and its economic impact.