

absence of budgetary review means that only rough estimates can be entered in the budget document for forward periods, and the difference between estimated and actual results, particularly for the Federal home loan banks, has introduced significant estimating errors in budget totals due to factors largely beyond the control of the Congress or the executive branch.

The Federal intermediate credit banks and banks for cooperatives are also not subject to the annual budgetary review provisions of the Government Corporation Control Act and are also designed ultimately for 100% private ownership. The Commission recommends keeping each of these enterprises in the budget until such time as it is completely privately owned, at which time it should be eliminated from the budget totals.

The Federal Deposit Insurance Corporation should continue to be included in the budget; FDIC, while not subject to the budgetary review provisions of the Government Corporation Control Act, represents an insurance rather than a lending program and, in addition, cannot be said to be privately owned since it no longer has any equity capital. It performs the same function with regard to commercial bank deposits as the Federal Savings and Loan Insurance Corporation (which is subject to the budgetary provisions of the Government Corporation Control Act) performs with regard to savings and loan association share accounts.

The criterion recommended by the Commission therefore is basically that Government-sponsored enterprises be omitted from the budget when such enterprises are completely privately owned. This criterion does not suggest that the transactions of these enterprises are to be sheltered from public scrutiny. In fact, as indicated above, the Commission specifically recommends that the total volume of loans outstanding and borrowing of these enterprises at the end of each year be included at a prominent place in the budget document as a memorandum item, and that steps be taken to secure complete financial statements in the form of "annexed budgets" to be included in the *Appendix* to the budget.

District of Columbia Government

The Commission recommends that the local receipts and expenditures of the District of Columbia be excluded from the Federal budget.

The District of Columbia is regarded by most observers as a local government comparable to other State or city governments. It is so treated in most Government statistics and Federal grant-in-aid formulas. If local receipts and expenditures of the District of Columbia are excluded, the budget must, of course, include Federal payments to the District (which are now excluded from the consolidated cash budget as intragovernmental transactions). The recommended treatment coincides with the present treatment of the District of Columbia in both the administrative budget and the Federal sector of the national income accounts.