

Fees and charges for services and benefits of a voluntary character;
 Sales of Government property;
 Repayments of loans and advances; and
 Recoveries and refunds of earlier expenditures.

The rules recommended by the Commission for the budget totals involve slightly more netting than in the present administrative or consolidated cash budgets, coming somewhat closer in this respect to the treatment in the Federal sector of the national income accounts. The Commission points out that the details of gross receipts and expenditures are generally available already on an enterprise-by-enterprise basis in the budget *Appendix*, and that *Special Analysis B* in the budget document presents alternative budget totals on a very gross basis. Therefore, the Commission does not believe that disclosure itself is a compelling argument for preparing the main statement of overall budget receipts and expenditures on a gross rather than a net basis, so long as both the *Appendix* and *Special Analysis B* continue to be made available at the same time as the budget message. The Commission does recommend, however, other more prominent information on gross government enterprise activity, perhaps by the addition of a summary table to Part 2 of the budget document, or by gross figures on selected major enterprises such as the Post Office and Commodity Credit Corporation in the functional narratives in Part 4 of the budget document.

The Commission also strongly endorses the cost basis for describing government operations in the budget *Appendix*, and urges continued refinement of these accounts to record full costs, including imputed interest on capital invested in the activities and depreciation charges. Along the same lines, the Commission endorses and encourages the use of modern business decision-making and control techniques, now widely used in private industry, in the management of all Government agencies.

REASONS FOR THE COMMISSION'S RECOMMENDATIONS

The recommended rules have the advantage that receipt and expenditure totals so stated present a fair picture of the extent to which Federal financial activities can reasonably be interpreted as governmental in character. In addition to reasons indicated below, these procedures more logically express government expenditures as a rough measure of the proportion of total national production which is allocated and distributed through collective choice rather than private choice and the market mechanism.

Role of government in the economy

A principal difference between government activity and private enterprise is that the government supplies services free of charge, covering the cost of governmental services, for the most part, by exercise of its sovereign