

systematic review of expenditures in terms of the purposes they are intended to serve. This is the so-called "Programme Budget".

This approach focuses attention primarily, but not exclusively, on the anticipated achievements of programmes, such as the number of ton-miles of freight to be moved on inland waterways or the number of pieces of mail to be delivered. These accomplishments represent "outputs". In the U.S. government, as well as most international organizations, the budget process in the past has concentrated largely on "inputs"--the number of persons to be employed, the amount of money to be spent for equipment or office space or travel. Under the new system, we will continue to be concerned--and even more concerned--with costs, but we will be able to select our targets with better appreciation of their ultimate cost.

In addition to this expanded and reorganized budgetary process, each agency of the government will be required to submit to the Bureau of the Budget well in advance of the final budget formulation, a comprehensive set of studies, or Programme Memoranda, similarly organized by major objectives or programmes. These memoranda will detail the specific programmes recommended by the agency relating them to both national needs and to other relevant international, federal, state, or local programmes. They will describe expected accomplishments in concrete terms, and most important, they will present comprehensive analyses of the probable costs and benefits of specified alternatives--alternative programmes designed to produce similar end-results, and alternative funding levels for those and for the recommended programmes. These documents are intended to provide a comprehensive and factual justification, not merely for new initiatives, but for the total range of each agency's major programmes. They will employ, wherever feasible, the most modern techniques of analysis, operations research, and data processing.

This work will involve a major increase in the planning and analytic effort of most of the executive agencies. Each agency has been directed to establish a central staff for analysis, planning, and programming.

Programme budgeting--the basic concept on which P.P.B.S. has been developed--is not a novel technique either in the public or private sectors. Neither is planning based on the analysis of costs and benefits. Programme budgeting is intended to assist the administrator in his decision-making role so that scarce resources are allocated among competing needs on as rational a basis as possible. It will not--nor is it intended--relieve the administrator of the decision-making responsibility.

P.P.B.S. is unique, not because of the techniques employed, but because of their combination, and the scale and comprehensiveness with which they are to be applied in the U.S. Government.