

Title: *A New Presentation of the National Accounts*

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The paper proposes to rethink about the consequences of alternative treatments of Government in the NA. Some old personal thoughts were stimulated by the chapter 6 “Difficulties around Government activities” of Andre Vanoli’s book: *Une histoire de la comptabilité nationale*, Editions La Découverte, June 2002 (an English translation is in progress). This chapter is the first of Part IV “Concepts and Economic theory”. It deals with the consistency between theoretical constructions and accounting conventions, which is at the heart of NA.

Apart from non-financial market sectors for which direct information on sales and prices are available, the measure of the production of the other sectors needs theoretical and practical conventions that are of consequences in the results. This is true for the financial sector but moreover for the Government sector. Its two joint activities: production of non market services, redistribution of income, are so much closely related that it has been proposed at the beginning of the NA to measure Government production with the amount of taxes. Andre Vanoli recalls us the many debates between the Founder Fathers (Pigou, Stone, Hicks, Kuznets, to mention only a few of them) about the treatment of taxes, especially the indirect taxes. Should they, and which of them, are to be included in the definition of the National Income?

Actually, the fundamental point is: what is the right valuation of the reference aggregate, a GDP “at factor costs” or a GDP “at market prices” ? Or, what consistency between Production / Income / Expenses ? Or also, what choice in the debate GDP versus GNP ? In my opinion, all those related questions are still open.

This paper proposes two changes about the treatment of taxes and Government: a GDP at basic price and an allocation of collective consumption of Government, they will be presented in turn.