

Notes on Section 8 (Federal Government Finances Prior to 1940)

In prior budgets the data base on receipts and outlays were adjusted retroactively to the unified budget concept for all years from 1940 forward. For earlier years the only data available were for the administrative budget, which was roughly comparable to the Federal funds grouping. Social security began in 1937, and in order to have a comparable data base extending back to before the start of off-budget programs, the data have now been reworked for several earlier years. These data are shown in this section.

Section 8 is composed of three tables. Table 8.1 shows data on total receipts, outlays, and surpluses or deficits -- both on-budget and off-budget -- by fund group for the years 1934-1939. These data constitute an extension to the data shown in Tables 1.1 and 1.3 in Section 1, (which begin with 1940). Table 8.2 has details on receipts by source, extending the data in Table 2.1 back to 1934. Table 8.3 has data on components of outlays for the years 1934-1939. It has not been possible to develop a complete set of data by function, but the data do show the principal spending components. Unified budget data for years prior to 1934 are not available; data on an administrative budget basis for earlier years are available in Table 22 of Part 6e of the 1987 Budget.

Note: In last year's edition of this book Section 8 provided historical data on the controllability of budget outlays. The complications introduced by the changes in budget coverage were sufficiently great that it was impossible to restructure that table for the 1987 Budget. An effort will be made to do such a restructuring. If that effort is successful, these data will be restored to the data base for next year's volume.

Section 8-1

TABLE 8.1--FEDERAL GOVERNMENT FINANCES BY FUND GROUP: 1934-1939
(in millions of dollars)

	1934	1935	1936	1937	1938	1939
On-budget receipts by fund group:						
Federal funds.....	2,926	3,578	3,871	4,794	5,477	4,822
Trust funds.....	72	76	168	424	1,072	1,127
Interfund transactions.....	-42	-45	-116	-96	-185	-157
Total on-budget receipts.....	2,955	3,609	3,923	5,122	6,364	5,792
Off-budget (trust fund) receipts.....	---	---	---	265	387	503
Total receipts.....	2,955	3,609	3,923	5,387	6,751	6,295
On-budget outlays by fund group:						
Federal funds.....	6,558	6,427	8,335	7,620	6,689	8,718
Trust funds.....	25	30	9	58	346	593
Interfund transactions.....	-42	-45	-116	-96	-185	-157
Total on-budget outlays.....	6,541	6,412	8,228	7,582	6,850	9,154
Off-budget (trust fund) outlays.....	---	---	---	-2	-10	-13
Total outlays.....	6,541	6,412	8,228	7,580	6,840	9,141
On-budget surplus or deficit (-) by fund group:						
Federal funds.....	-3,633	-2,849	-4,464	-2,826	-1,212	-3,896
Trust funds.....	47	46	159	366	726	534
Total on-budget deficits.....	-3,586	-2,803	-4,304	-2,460	-486	-3,362
Off-budget (trust fund) surpluses.....	---	---	---	267	397	516
Total deficits.....	-3,586	-2,803	-4,304	-2,193	-89	-2,846

8.1(1)

TABLE 8.2--RECEIPTS BY SOURCE: 1934-1939
(in millions of dollars)

	1934	1935	1936	1937	1938	1939
On-budget unless otherwise noted; Federal funds unless otherwise noted						
Receipts by major source:						
Individual income taxes.....	420	527	674	1,092	1,286	1,029
Corporation income taxes.....	364	529	719	1,038	1,287	1,127
Social insurance taxes and contributions.....	30	31	52	580	1,541	1,593
On-budget (Federal and trust funds).....	(30)	(31)	(52)	(315)	(1,154)	(1,090)
Off-budget (trust fund).....	(---)	(---)	(---)	(265)	(387)	(503)
Excise taxes.....	1,354	1,439	1,631	1,876	1,863	1,871
Estate and gift taxes.....	113	212	379	306	417	361
Customs duties.....	299	323	373	470	343	302
Miscellaneous receipts.....	376	549	95	26	13	12
Total receipts.....	2,955	3,609	3,923	5,387	6,751	6,295
	=====	=====	=====	=====	=====	=====
On-budget.....	2,955	3,609	3,923	5,122	6,364	5,792
Off-budget.....	---	---	---	265	387	503
Memorandum 1/:						
Federal funds (all on-budget).....	2,926	3,578	3,871	4,794	5,431	4,822
On-budget trust funds (social insurance).....	30	31	52	382	933	970
Composition of excise taxes:						
Alcohol.....	259	411	505	594	568	588
Tobacco.....	425	459	501	552	568	580
Other.....	670	568	675	730	727	704
Composition of miscellaneous receipts:						
Processing taxes and refunds.....	353	521	77	*	-10	-12
Other.....	23	28	19	26	24	24

1/ Governmental receipts; excludes interfund receipts.

8.2(1)

TABLE 8.3--OUTLAYS: 1934-1939
(in millions of dollars)

	1934	1935	1936	1937	1938	1939
Composition of outlays						
National defense.....	540	710	912	935	1,028	1,163
Veterans benefits and services.....	532	583	2,301	1,122	541	530
Net interest.....	656	764	630	779	809	808
On-budget 1/.....	(656)	(764)	(630)	(781)	(824)	(835)
Off-budget (trust fund).....	(---)	(---)	(---)	(-2)	(-15)	(-27)
Public works and economic stimulus 2/.....	3,314	3,506	3,325	3,739	2,932	3,912
All other.....	1,499	849	1,060	1,005	1,530	2,728
On-budget 3/.....	(1,499)	(849)	(1,060)	(1,005)	(1,525)	2,714
Off-budget (trust funds) 4/.....	(---)	(---)	(---)	(*)	(5)	(14)
Total outlays.....	6,541	6,412	8,228	7,580	6,840	9,141
	=====	=====	=====	=====	=====	=====
On-budget.....	(6,541)	(6,412)	(8,228)	(7,582)	(6,850)	(9,154)
Off-budget.....	(---)	(---)	(---)	(-2)	(-10)	(-13)
1/ Subfunctional composition is as follows:						
901 Interest on the public debt.....	757	821	749	866	926	941
902 Interest received by on-budget trust fund.....	-21	-24	-29	-50	-66	-82
908 Other interest.....	-79	-33	-90	-36	-36	-24
2/ Excluding outlays of the unemployment trust fund. The major components of this category is as follows:						
Public works (highways, rivers and harbors, etc.).....	579	719	883	1,062	832	1,004
Unemployment relief (direct relief, work relief, and civilian conservation corps).....	1,853	2,363	2,371	2,527	1,996	2,677
Loans, subscriptions to stock, etc., (net).....	882	424	71	150	104	231
For further details, see 1942 <u>Budget</u> , page 1046.						
3/ Includes the following trust fund outlays:						
Unemployment benefits.....	--	--	--	1	191	442
Civil Service and Foreign Service benefits.....	50	53	58	60	64	65
Railroad retirement benefits.....	---	--	--	4	76	106
Veterans insurance benefits net of premiums.....	-25	-24	-48	-7	-32	-20
Railroad retirement repayments of advances (advance from general fund in 1936).....	---	--	--	--	47	---
4/ Social security benefits						

8.3(1)